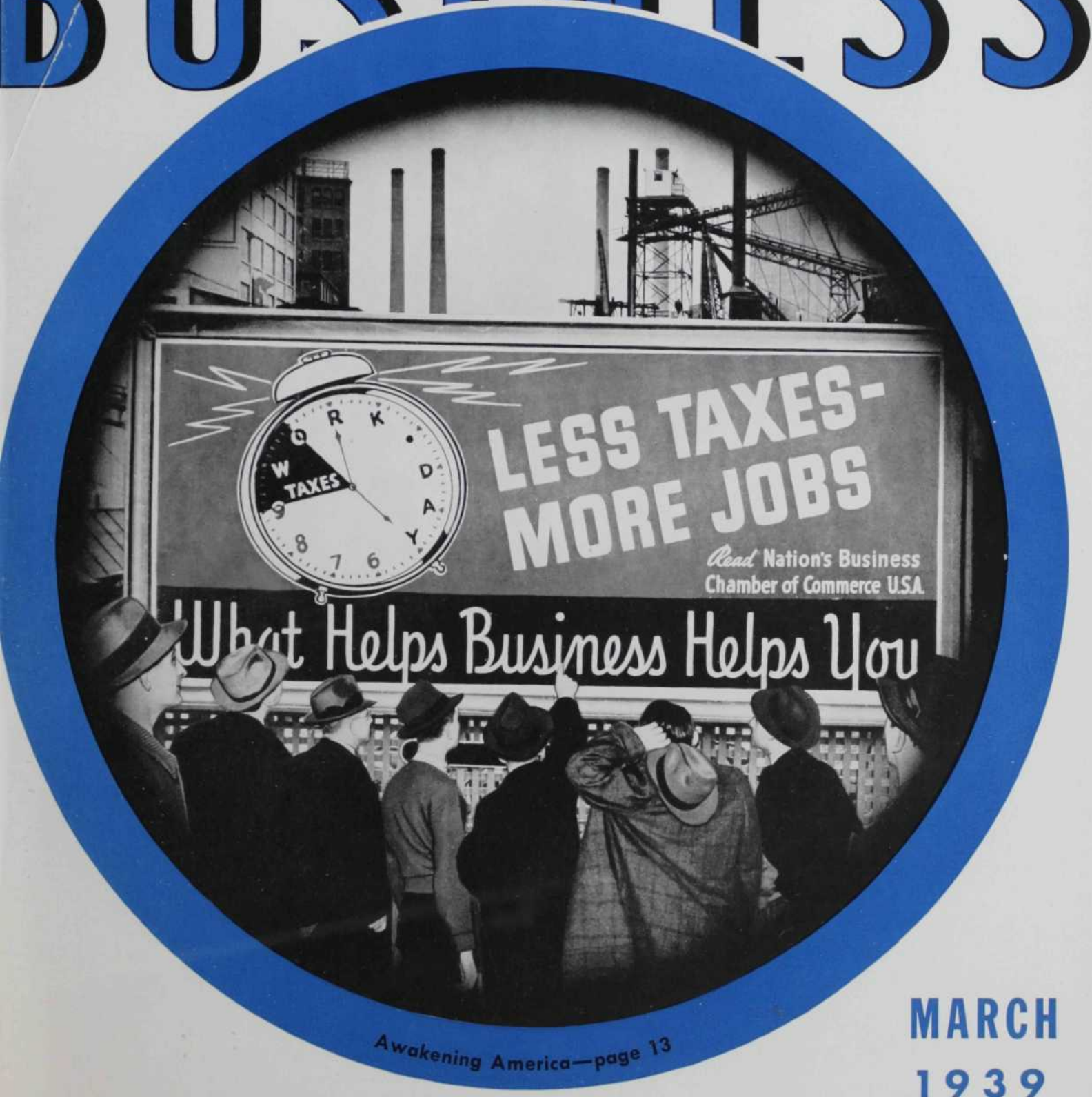
NATION'S BUSINESS



Awakening America—page 13

MARCH
1939

Spiking the Myth of British Housing Supremacy • The Town That Returned from the Grave • Dixie Finds a Bluebird • Factories Win Modern Wars



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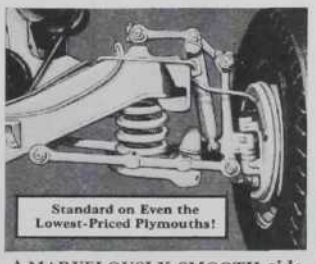
STANDARD equipment on "De Luxe" models at no extra cost—Perfected Remote Control Gear Shifting with All-Silent Auto-Mesh Transmission. Shifting is much easier—more convenient . . . and there's nothing new to learn.



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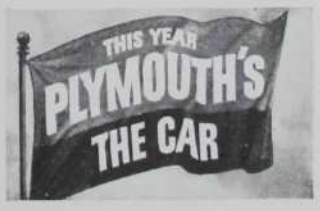
Try Plymouth's smooth new ride. Get the "feel" of its True-Steady steering...its new shifting and braking ease...*today!*



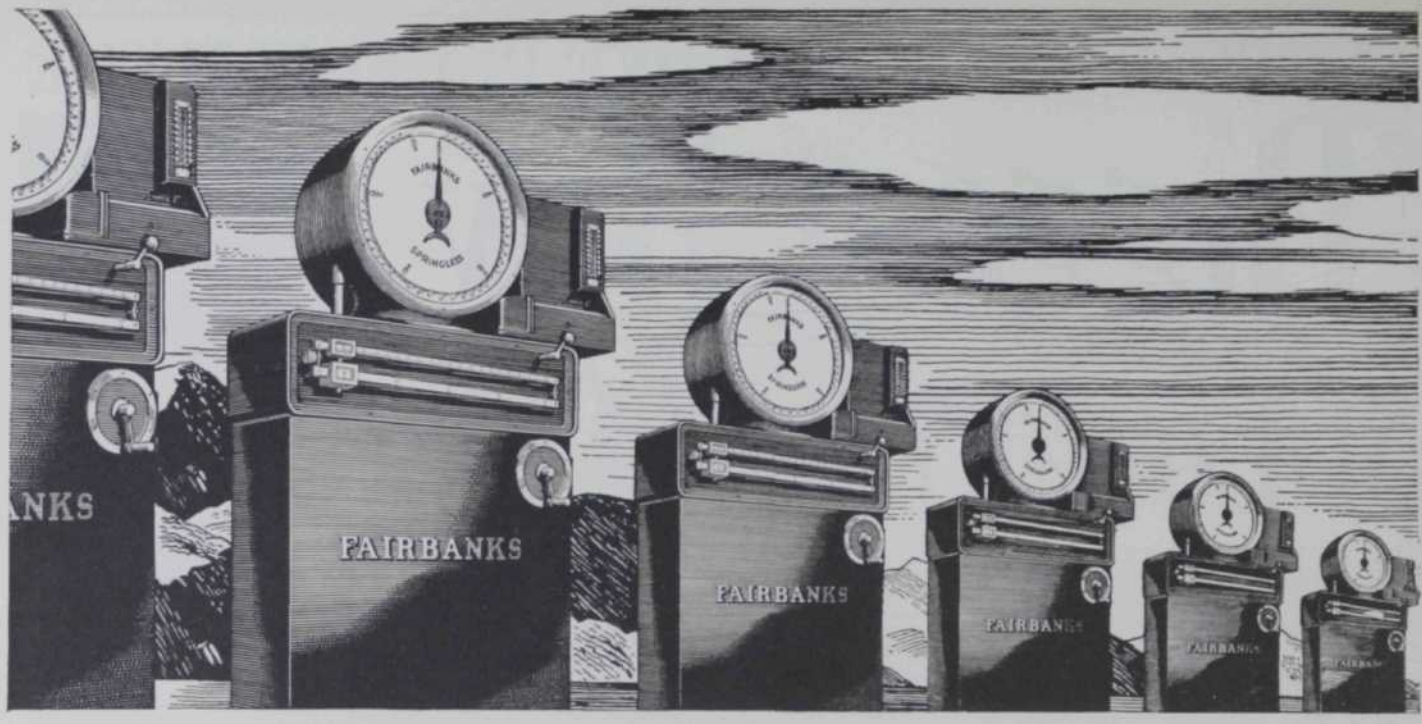
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THE "DE LUXE"



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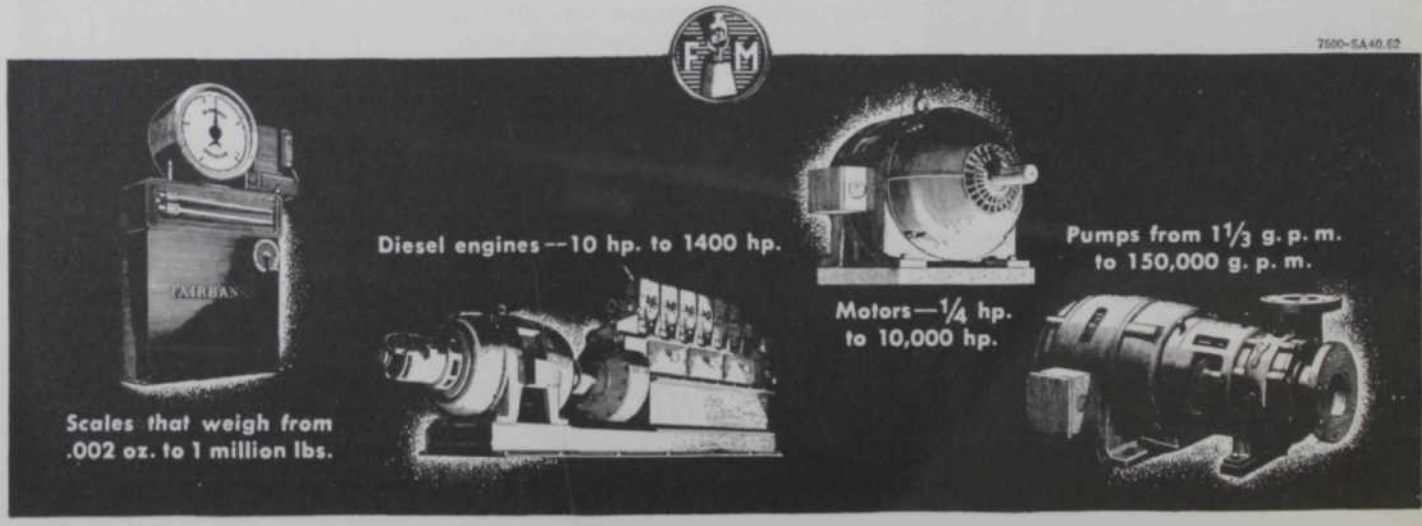
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BOOKKEEPING AND ACCOUNTING

Spiking the Myth of British Housing

By JOSEPH B. MASON

AMERICAN builders provide more house, more space, more conveniences at comparable cost



COURTESY AMERICAN BUILDER

Pre-fabricated parts help to reduce American labor costs

THE BRITISH have made the housing clock tick. No doubt about it. They built 3,250,000 homes from 1914 to 1936, and since then some 325,000 to 340,000 units a year. The same *per capita* rate in this country would greatly exceed our biggest boom years when a peak of 800,000 to 900,000 units was reached.

This job-giving stream of durable industry buying has flowed out through the trade channels of Empire—a powerful factor in British prosperity. American business men have asked, "Can the American building industry do as well?"

The answer, in the opinion of informed persons, is that it will not only catch up but will soon surpass the British program. In 1938, for the first time since 1931, the number of new non-farm U. S. dwelling units about equaled the British totals. This year it will undoubtedly exceed them, and the American homes will be technologically far superior.

Let us get straight a few facts concerning British and American home building and housing. Several misconceptions are widely held due, no doubt, to the fact that most of the reports on British housing given publicity here have been made by persons with a social point of view who used England as a high example to show how awful



EWING GALLOWAY

Most English low-cost homes similar to these two-family dwellings have tiny lots, soft wood floors, no closets, are heated with fireplaces



EWING GALLOWAY

These $4,500 to $5,000 American homes have spacious lots, hard wood floors, ample closet space and latest modern conveniences

Supremacy

the American building situation is supposed to be.

In the first place, more than 80 per cent of the new housing units provided in England in recent years have been built by private builders without subsidy. Private enterprise did, however, benefit greatly from the favorable basic conditions which the British Government established. The bulk of British home building is in the hands of the so-called "estate" builders. In this country we call them speculative builders or, more recently under the era of the Federal Housing Administration, "operative" builders.

Speculative building has reached its full flowering in England where many of the largest builders are operating from 15 to 20 subdivisions in various suburbs of London as well as in nearby cities, and sell as high as 2,000 homes



NAT'L LUMBER MFRS. ASS'N

American builders use more power equipment to speed up work

a year. The speculative builder operating under the profit motive is "solving" the British housing problem. The British have successfully worked out a scheme whereby private building is able to flourish at the same time that a considerable volume of subsidized housing for persons in the very lowest income brackets is carried on. That is the job we in America must learn to do.

Critics of the American building in-

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NATION'S BUSINESS • CHAMBER OF COMMERCE OF THE U. S.

VOLUME 27 **Merle Thorpe, Editor & Publisher** NUMBER 3

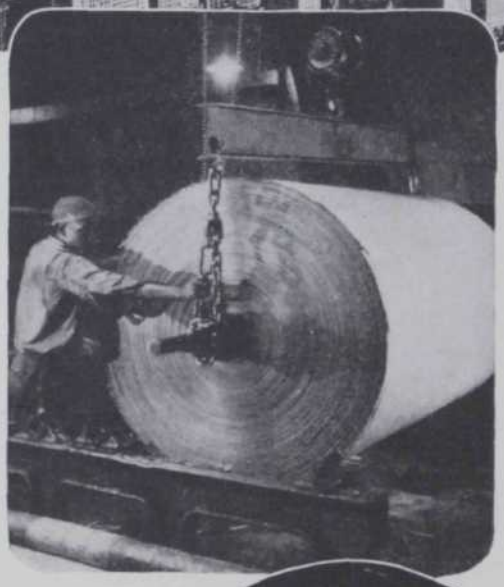
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dustry frequently refer to price levels of British houses to prove that American houses are too expensive. Without a knowledge of the ruling factors in the pricing of houses such comparisons may be very unfair to the American building industry and may lead to some incorrect conclusions.

It is true that the privately built British houses in England cost the buyer less in terms of American dollars. But the buyer gets much less. In terms of comparative *income* the average privately built British house is no less expensive than the American. Let us look into the facts more closely.

Comparing two developments

THE British standard for a small home is vastly different from the American. The great majority of houses are built in solid rows or consist of two- or four-family houses set on very small lots—as narrow as 22 feet wide. The average American, due to his heritage of "wide open spaces," demands and gets a single-family house on a fair-sized plot—the minimum today being about 40 feet wide.

For basis of comparison I am taking a typical London suburban house selling with lot for approximately $3,000. A house being built for the same class of purchaser on Long Island would cost between $5,000 and $6,000. We have a fairly typical comparison on Long Island where a prominent English builder is operating a large subdivision, and at the same time continuing several "estate" operations near London.

The American counterpart of the house this builder sells in England for $3,825 is $5,590. But there is a vast difference in the equipment and cost factors in the two houses. In his Long Island operation this British builder set out to serve the same class of buyer. After a thorough study and an exacting analysis of American home standards he concluded that there is no market in this country for the type which he has been selling so successfully in England. He had to forget his English practices and go American.

Consider the following items in which, by American standards, British houses are deficient:

1. They have no central heat. The only heat is provided by two or three fireplaces equipped with small flues. Chimneys are much lighter, flues are smaller and are not lined with terra cotta.
2. No hardwood floors or steps. This is a luxury not apparently expected in even more expensive British houses. Floors consist of one layer of softwood boards applied directly to joists. Interior stairs are of same material.
3. Interior plaster (only two coats) is applied directly to exterior brick walls—a practice not considered sound in America.
4. Soil pipes and vents are universally carried on the *outside* of walls, with a strange effect on the appearance.
5. Kitchens are ridiculously inadequate according to American housewives' standards. No refrigerator whatever is provided—not even space for one. Sinks are unbelievably small (12 to 14 inches), with one small wooden drainboard about ten by 24 inches. There are no counter or work areas, practically no kitchen cabinets. Some now have a cupboard-like affair about three feet wide extending from floor to ceiling. Floors are softwood.
6. Hot water provided by hand-fired coal or coke-burning stove in kitchen, galvanized iron tank. Copper and brass are not used for water pipes.
7. No bedroom closets. English families are apparently adequately supplied with wardrobes. Closets are not expected.
8. Electric wiring consists usually of one cord in center of room and one plug-in outlet at baseboard per room.
9. No shower stalls, colored tile bathrooms, no laundry tubs.
10. No basement, attic or garage.
11. Very small rooms—the average



EUROPEAN

A $3,000 home bought by British workers is just as expensive as a $5,500 home bought by higher paid American workers

A GAME OF CHANCE



WHERE YOU CAN'T WIN

NO PLANT IS FREE from the constant menace of chance defects in heating and wiring systems—from carelessness with cigarettes or matches. To ignore these dangers is to gamble with loaded dice—a game of chance where you can't win.

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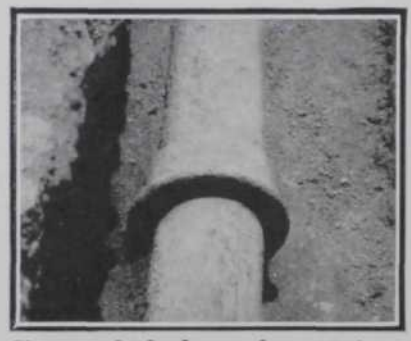
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"IT depends on the pipe. This is *cast iron* pipe for a new water main. I understand that the *original* cast iron water mains installed in this town are still giving satisfactory service—and that any other kind of pipe would have been dug up and replaced by now. That would have cost us needless tax dollars which we have *saved* because cast iron pipe serves for *more than a century.*"

* * *

Water mains represent about one-third of this country's 5-billion-dollar investment in public water supply systems. More than 98% of these mains are cast iron pipe with a *known* useful life at least double the *estimated* life of other water main materials. Because the tax-saving, through deferred replacements alone, is enormous, cast iron pipe is known as Public Tax Saver No. 1. It is the only ferrous metal pipe, practicable for water, gas and sewer mains, which rust does not destroy. Made in diameters from 1¼ to 84 inches.



Unretouched photo of a cast iron water main installed 109 years ago and still serving the citizens of Richmond, Va.

CAST IRON PIPE
PUBLIC TAX SAVER NO. 1

THE CAST IRON PIPE RESEARCH ASS'N, T. F. WOLFE, RESEARCH ENGINEER, PEOPLES GAS BLDG., CHICAGO

$3,000 British house has a living room of about ten by 12 feet, a dining room ten by ten and a kitchen six by seven. The master bedroom will measure about ten by 12, the second best bedroom ten by ten, and the third bedroom only seven by seven.

This is only part of the story. Climatic differences have a large bearing on costs. The London houses are able not only to eliminate basements entirely but foundation walls go down only two feet or less because there is no danger from heavy freezing. American building codes and F. H. A. standards would not permit such houses to be built here.

Lack American luxuries

THESE HOUSES have no weather-stripping, are not equipped with storm windows, insulation and numerous other "cold weather" items. Such typically American home luxuries as automatic heat controls, overhead garage doors, ventilating fans, radio outlets, modern refrigerators and electrical devices and equipment, are not even considered for the type of house we have been discussing and have made little progress in even the more expensive homes.

Contrast this with the American standard. For good or bad, even the lowest income groups in this country demand the luxuries and comforts that are so widely advertised. They refuse to buy a house without them, regardless of the price range. An illustration may be seen in the new 1,200-house project at Clairton, Pa., to provide quarters for Carnegie-Illinois steel workers.

The lowest price house possible that could find buyers or renters among steel workers was desired. The builders adopted every modern method and device known to mass production, finally getting the price for five- and six-room houses down to $3,800 and $5,300. Amortized over 25 years, the monthly carrying cost is well within the reach of the average worker. Yet these houses have thermostat-controlled gas heat with copper fin concealed radiators. They have automatically heated water; gleaming porcelain-enamel steel kitchen cabinets and sinks; streamlined bathroom fixtures in attractive colors; copper pipe throughout; hardwood floors; insulation; firesafe, asbestos-shingled side walls; ample electric outlets; and Colonial hardware and lighting fixtures.

"Steel workers' wives read the magazines just like every one else," Royce W. Gilbert, the builder told me. "We made a careful study of our prospective tenants' tastes and requirements. We *had* to make these houses as comfortable, convenient and attractive as any suburban home."

Technologically the American builder is more efficient than the British. He uses more power equipment and mechanical devices that speed up work. His men work faster and produce more. He employs more improved building products and materials that tend to reduce labor on the job, such as factory fabricated windows and large panel products such as plywood or insulating board.

More for the money

THUS in spite of the vast differences in labor costs, land costs and construction methods, the average American speculative house actually represents a greater value to the buyer. This statement becomes more obviously true in terms of income. The $5,500 paid by an American worker, whose wage scale is approximately double that of the English worker, is no greater an outlay in terms of income and purchasing power than the £600 paid for an inferior British house. To make a direct comparison in terms of pounds and dollars with the inference, as so many social workers and housing "experts" have done that the American house is overpriced, is not giving the American building industry a fair break.

A direct comparison of building wage scales shows a wide difference in the hourly rates. The official union wage scale for the London area is 40 to 43 cents an hour for carpenters, bricklayers, plasterers, plumbers and other skilled workers. It is 30 cents an hour for helpers and laborers. The work week is 46 hours in summer and 44 hours in winter.

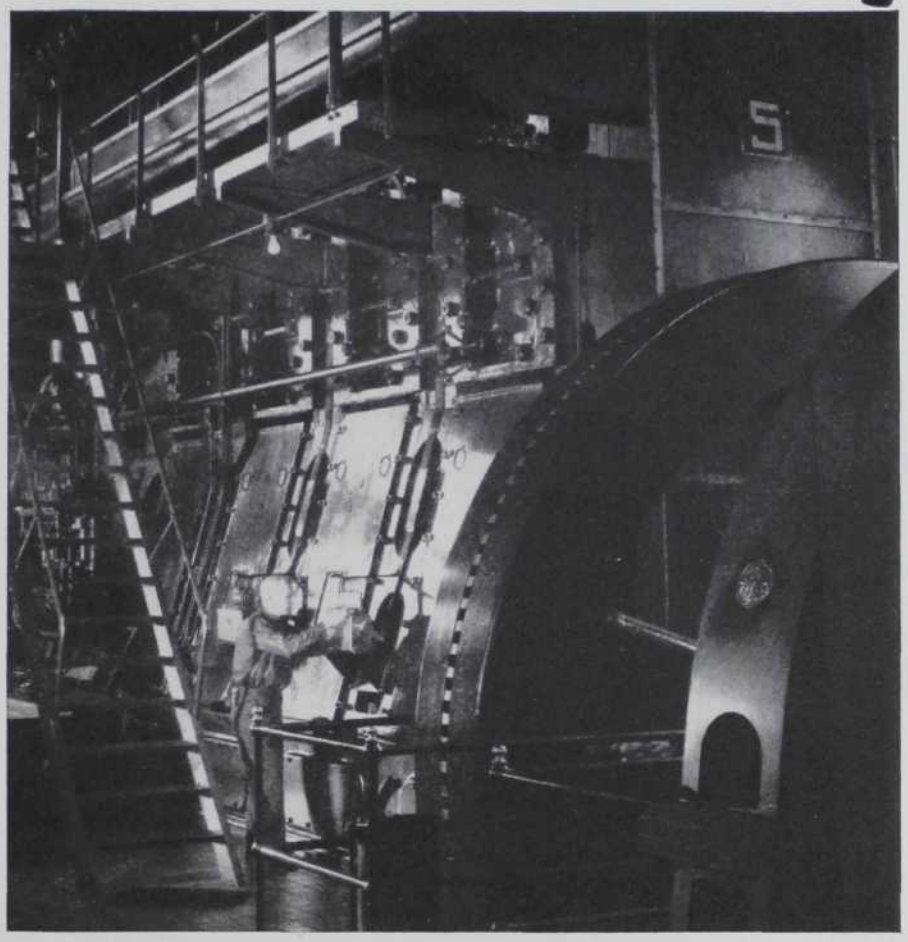
By contrast, the New York City official union scale is $1.75 an hour for carpenters and $2 an hour for plasterers, plumbers and electricians. The carpenters work 35 hours a week, and the plasterers, plumbers and electricians, 30 hours a week.

These are "official" New York union scales, but in practice few builders engaged in residential construction pay them. A small per cent only of single family construction in the United States operates under full union conditions. Unions are strong in metropolitan areas, where little single-family home work is done, but weak in the small rural and suburban towns where the big volume lies. Even in the completely non-union areas, however, the hourly wage scale of building workers is more than double the official British scale. The British workers, on the other hand, have fairly steady employment throughout most of the year and are probably better paid in terms of annual income.

Another important factor in British

(Continued on page 70)

Salt spilt in the Engine Room



THE Dutch say that "Salt spilt is never *all* gathered." And, when "salt is spilt" in boiler or engine room by ruinous breakdown or explosion, it can never *all* be scraped together again. Time has been wasted; orders have gone with the wind; profits have fled.

No business ever "breaks even" after a breakdown. Insurance can protect *what is;* but only accident prevention can protect *what might have been.* This is why so many industries specify the engineering and inspecting facilities of Hartford Steam Boiler for the vital job of safeguarding their power equipment. About half of all power-plant insurance written in the United States is placed with Hartford because executives say, "Hartford's record is enough for me."

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INTERNATIONAL HARVESTER COMPANY
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INTERNATIONAL TRUCKS

Through the EDITOR'S SPECS

Reveries of a planner

PROFESSOR Adolf Berle, assistant secretary of state, is taking leave of absence from the cares of state and has retired to the cloistered hives of Columbia University for philosophic reflection. There is too much practice and not enough theory in the Washington scene, he thinks. He wishes to stand apart for a time to catch up with his long-range planning for the rest of us.

Too bad the old custom of reflecting before acting hasn't been invoked in Washington sooner.

Cause and effect

MORE THAN 700 bills regulating retail distribution were introduced in Congress last year. This was twice the number that related to the control of crime.

It has come to the point that a dealer, or "speculator" as he is called in Russia, is made to bear the stigma of at least a potential criminal. With 14 "consumer" agencies of his Government propagandizing his customers, telling them that he is a man to be watched, what other result is to be expected.

Getting at first causes

STORE executives queried by the National Retail Dry Goods Association as to what factors in a job are most important to employees placed "Fair pay" first. Second in their estimation was "Job security," and third was "Interesting work."

When the same question was put to 3,000 department store employees the executives learned they were not more than 50 per cent right. The employees gave as desideratum No. 1 "Credit for all work," with "Interesting work" second and "Fair pay" third. "Job security" was No. 10, last on the list.

This experience confirms a growing suspicion that employers don't know what's on employees' minds.

Discords in Utopia

PRAVDA, Moscow Communist newspaper, reports that 400,000,000 rubles ($79,000,000) was wasted last year by the Soviet Commissioner of Water Transportation. The department was charged with having called a conference of "drunks, loafers and floaters," and with encouraging habitual absentees.

ANOTHER dispatch from Matanuska, Alaska, says that distinct progress is being shown. Education is making itself felt and an encouraging number of the Government colonists have run up debts as high as $14,000 to $16,000.

WEARIED by so many uplift and cooperative meetings, a citizen of Greenbelt, Md. (Tugwelltown) has proposed a holiday from cooperation—one week a month of free evenings.

THE SOVIET labor code was upset by an artistic imbroglio in Moscow's Grand Theatre. A tenor sang bass and the basso retaliated by warbling in tenor. No precedent has been found in the works of Marx.

GREENBELT citizens have voted an Honor Roll of books in the community. The eight most popular non-fiction titles in their order are: "Folklore of Capitalism," by Thurman Arnold; "Middletown in Transition," by Robert and Helen Lynd; "Red Star Over China," by Edgar Snow; "Ends and Means," by Aldous Huxley; "Culture of the Cities," by Lewis Mumford; "America's 60 Families," by Ferdinand Lundberg; "Save America First," by Jerome Frank; and "The Coming Victory of Democracy," by Thomas Mann. By what they read ye shall know how those who are eating the fruits of the capitalistic system regard it.

R. A. FAUL, manager of a Farm Security cooperative farm near Coolidge, Ariz., resigned in protest against the "Communist patterned" direction of the project. He said the Government already had spent $500,000 to resettle 60 families, or $8,333 apiece.

Muddy thinking

SLUM clearance, recreation, playgrounds, etc., are fine; we agree with the need for all of them. But let's

Discover How

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Can Help You



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$177,866.46 along the road to profits

A famous tire chain manufacturing firm* . . . selling safe progress to motorists along hazardous roads . . . finds that American Mutual has helped it along the road to profit to the extent of $177,866.46.

This substantial sum represents the total of cash dividends amounting to 20% of each year's premiums on workmen's compensation insurance. Yet it is only one of three profits this firm has received from American Mutual.

During the 19 years it has insured in American Mutual, uninsurable accident costs (delays, spoiled work) have cut far less into operating profits — the result of a specialized loss prevention program covering men and methods as well as machines, under American Mutual guidance. In certain of its plants, premium rates have been reduced 30% below the average of similar, neighboring firms.

Meanwhile, specialized medical treatment has restored injured men from disability to useful tasks . . . a third profit to an employer who recognizes the value of experienced men.

To motorists who are the market for tire chains, our policyholder says: "Be safe!" To industrial firms like yours, American Mutual also says: "Be safe!" Being safe with American Mutual means three profit opportunities through: reduction in indirect accident costs and insurance premiums, the value of injured men returned to their jobs and policyholder dividends of 20% or more on practically all forms of insurance except life.

Address Dept. X-1, 142 Berkeley Street, Boston, Mass., for "How 12 Companies Made $1,461,939.01".

*Name on request.

1887

get 3 profits with
American Mutual

AMERICAN MUTUAL LIABILITY INSURANCE COMPANY · BOSTON, MASS.

BRANCHES IN 56 OF THE COUNTRY'S PRINCIPAL CITIES

have done with this drivel about these things being crime insurance. No one has ever proved that men become criminals because of their economic status, but still it is repeated.

A Dr. Paul Schroeder told scientists in convention at Richmond that a majority of our crime should be charged to industrial leaders, because criminals hail from blighted slum areas adjacent to industrial centers. What would the doctor say to a roll call of public enemies from the small towns and farms? Under his theory he would have to explain Jesse James, the Quantrells, "Pretty Boy" Floyd, Wilbur Underhill, John Dillinger, the Barker family and a long list of others, than which they never made 'em tougher.

Such broad indictments have no more regard for logic than a statement of an eastern writer who laid the high tuberculosis rate in a southwestern city—a noted resort for pulmonary ills—to its noxious climate.

Awakening America

ON OUR cover this month is visualized the current phase of the program to awaken America to the truth about the economic situation. Twenty-five thousand billboards, like the one shown, will carry the message to an estimated 72,000,000 persons daily. The accent on taxes advances the "What Helps Business Helps You" campaign to a new forward position.

Encouraging evidence that this educational effort has stirred the country to active response is presented by Dr. George Gallup in an article, "The Shape of Things to Come." Says Dr. Gallup:

"Sympathy for business is indicated in many surveys which have found an increasing number of people saying that business should be left alone."

All's well with—spinach

WE LEARN from the New York *Times* that a poll of 50,000 school children in New York City has revealed Hitler as the most hated man, with Mussolini second. President Roosevelt is their first choice as the most beloved man. God came in a poor second, and there were a few scattering votes for George Washington, Abraham Lincoln and Pope Pius. . . . Oh, yes, they voted spinach their favorite vegetable.

The art of packaging

FORGET your own troubles for a moment and lend an ear to one of those that plough furrows in the

(Continued on page 72)

You don't have to be rich to

RETIRE ON $200 A MONTH



"I'LL DRAW an income of $200 a month *for the rest of my life*, as soon as I retire," said a certain man talking of his plans for the future.

"How can you manage it?" asked another man.

"It's easy," said the first man. "I'm buying a Retirement Income on the installment plan. My income of $200 a month begins when I reach retirement age, and it's guaranteed for life.

"What's more, if I should drop out of the picture *before* my retirement age, my wife would get a regular monthly income for the rest of her life."

"That sounds good," said the other, "but what if you're totally disabled, and can't make your payments?"

"I don't have to worry. If, before I reach 55, serious illness or accident stops my earning power for six months or more, then—so long thereafter as I remain disabled—I don't have to pay any premiums that fall due and I'll get a Disability Income besides."

"Fine. Can you tell me how much this new Retirement Income Plan would cost me?"

"It depends on how old you are, when you want to retire, and the size of the income you will want. Why don't you write for the free booklet about the Phoenix Mutual Retirement Income Plan? It tells all about how the plan works and what you get."

Here's *your* chance to find out how simple it is to retire on a guaranteed monthly income for life. Send for your copy of this booklet today. No cost. No obligation. The coupon below is for your convenience.

How a Man of 40 Can Retire in 15 Years

If you're around 40 you're lucky. If you're younger, so much the better. Here is what $100 a month Retirement Income, payable at age 55, will do for you:

It guarantees you at 55 an income of $100 a month for life. If you are insurable, additions can be made to your plan by which—

It guarantees in case of your death before 55, a Cash Payment to your beneficiary of $10,000. Or a monthly income for life.

It guarantees in the event of permanent total disability before age 55, a Monthly Income for you.

The Plan is not limited to men of 40, nor the income to $100 a month. And you can retire at 55, 60, or 65.

Mail coupon below for free booklet.

ESTABLISHED 1851

PHOENIX MUTUAL

Retirement Income Plan

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Phoenix Mutual Life Insurance Company
341 Elm St., Hartford, Conn.

Please send me by mail, without obligation, your book describing the PHOENIX MUTUAL RETIREMENT PLAN.

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Date of Birth _____

Business Address _____

Home Address _____

Copr. 1938, by Phoenix Mutual Life Insurance Company

Living up to the Greatest Name in Rubber



Built to celebrate rubber's centennial...this remarkable "G-100" gives you 33% longer mileage

IT seemed fitting that the One Hundredth Anniversary of Charles Goodyear's discovery of vulcanization should be starred by illustrious new rubber products, so we built this stunningly streamlined new centennial tire—the "G-100." And it lives up to that name by being 100% different from previous tires—new in design, new in the way it's made, new in its sensational performance and mile-defying wear.

It breaks with all past traditions. Its cord plies are built in a new low angle "pantograph" arrangement that causes the tire to *compress*—instead of stretching—when inflated. As air goes in the tread *compacts*—literally "makes a muscle"—becoming so much more resistant to cutting and wear that it delivers 33% longer mileage! You get this matchless wear in a nimbler, more flexible, easier-riding tire. The "G-100" is Goodyear's newest triumph in tire engineering, built inside and out nobly to *deserve* "the greatest name in rubber."



1839 · THE CENTENNIAL OF RUBBER · 1939

Great beyond all other names in rubber is that of Charles Goodyear—discoverer just a century ago of the process of vulcanization that made rubber usable to mankind. To honor him The Goodyear Tire & Rubber Company was named long after his death; from his lifelong effort to extend rubber's utility it takes inspiration, and seeks by serviceability to deserve his name.

GOODYEAR

The Liquidation of Enterprise

EVERY NOW and then we have to admit, reluctantly, that business men are babes in the wood when it comes to an understanding of the larger issues involved in the present contest between the forces of free enterprise and state-coercion.

They view the appointment of Mr. Amlie, an avowed foe of the American system, as only the reflection of a mood. They see in the Willkie settlement something to applaud in that private property confiscated by government *is paid for*. They see in the insurance investigation only an excuse to keep the pot boiling as a piece of political expediency. But these and a hundred other recent events are manifestations of a deep strategy to "Make America Over."

There has been no secrecy about it. The plan has been described in detail. The objective is to supplant the voluntary agencies of the market-place with political boards armed with powers to compel. The axle of the socialistic wheel is the control and allotment of capital, that is, the people's savings.

Karl Marx, pointing the way to a socialistic state, gave as the first objective, "Centralization of credit in the hands of the state . . . an exclusive monopoly."

Lenin, who put the Marx theories into practice, said, "Through the nationalization of banks they"—referring to the small business men—"may be tied hand and foot." Again he said that one State Bank, with branches in every factory—"this is already nine-tenths of the Socialistic apparatus."

Consciously or unconsciously we are bringing about this change in the United States. Since 1930 most of our capital, for good or bad, has been allotted by political Washington. The people's savings have been handled from the top down, through 41 federal lending agencies and through innumerable spending agencies, not from the bottom up as during the 150 previous years of our history.

With the highest official word that the "emergency" is still with us after nine years, the burden of proof that the new way is better is upon those who are reconstructing our society in accordance with a definite plan.

From 1900 to 1930, under the American method of pooling savings and putting them to work, about $6,000,000,000 a year went into the expansion of old enterprises and the development of new, which alone accounts for nearly 10,000,000 gainful jobs today. Since 1930 political handling of billions of this credit and capital has resulted in no net addition to our equipment for industry and commerce and their auxiliary services. In our whole history this is the longest period in which such a condition has obtained.

The tide is running strongly here, as in the rest of the world, toward political control. The pity of it is that the many do not recognize it. The social security act was designed to relieve distress, yet placed a billion of savings last year under political allocation. The Willkie-T.V.A. settlement gave politics an additional $80,000,000 of control. The insurance investigation, inspired in the summer of 1933, is not to allay any public suspicion or fear, but, because "insurance assets in private hands may give individuals too great power." The State covets these additional billions.

The nation must soon or late decide the issue. The decision will determine most of our other national problems. Simply, the issue is, who shall bring together the savings of the people. Shall the savings go to the market-place, voluntarily as in the past, or shall they be collected by compulsion and allocated according to political expediency?

Merle Thorpe



BUT, JANET, HOW CAN I RUN A BUSINESS?

Could your wife make your business yield her, regularly, money to live on?

GOOD investments—an established, going business—what better estate could a man leave his family, you may ask. And maybe you're right. But what a widow and children need above all else is a sure, every-month income that is not affected by business ups and downs.

Guarantee *your* widow such an income through the EXTRAORDINARY Life Plan of the Northwestern Mutual with its clear-cut, business-like advantages.

The plan is double-barreled in its benefits. Should you die prematurely, your widow's money needs would be met—and especially that regular monthly income until the children are grown up. Or, if you live to old age, you'll have a welcome fund to use in any way you want.

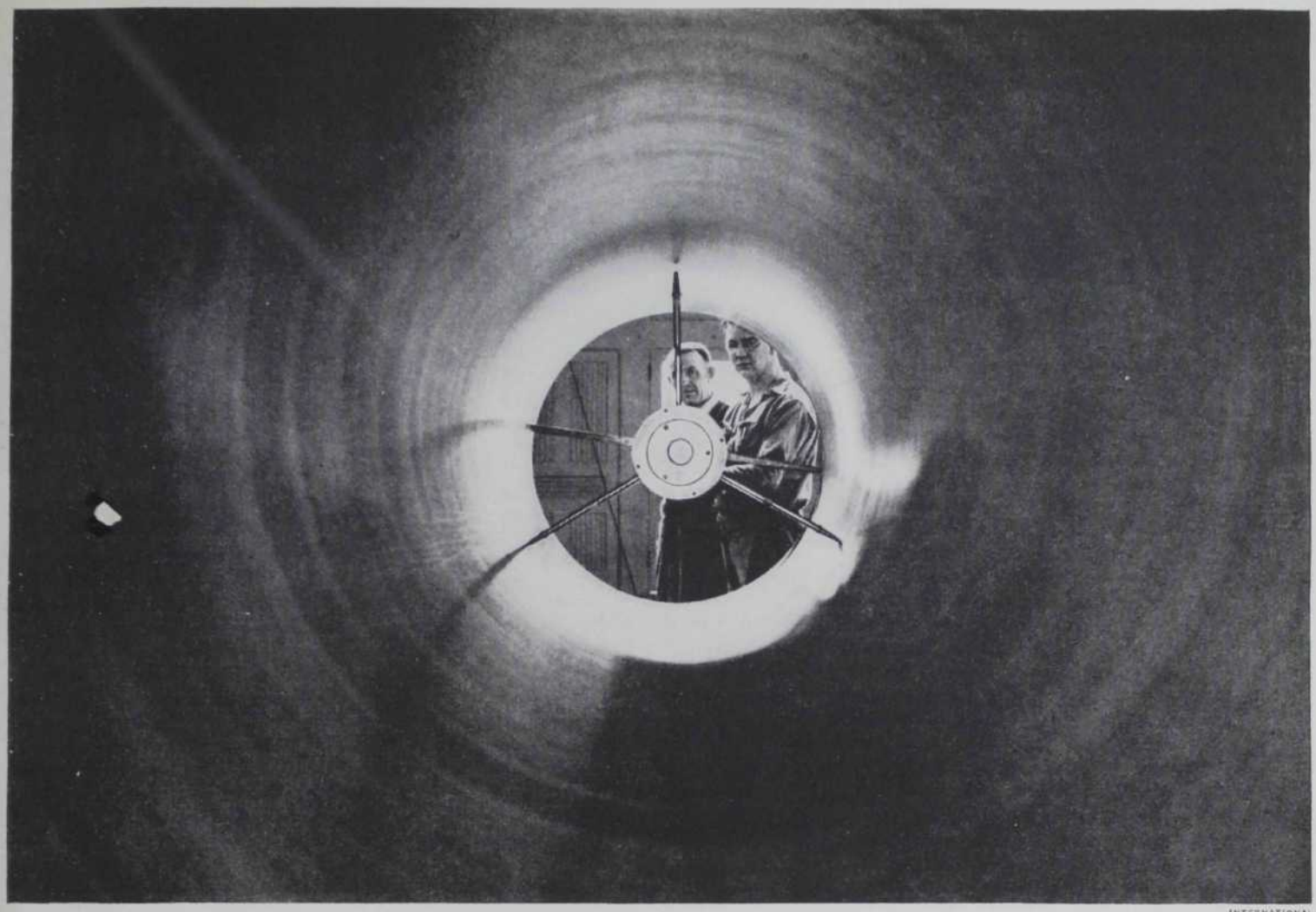
You have in this plan a liquid asset of known, guaranteed worth. You can borrow on its increasing cash value—no red tape, no publicity.

So whatever you build into your estate, include this vital asset. The flexible Ordinary Life Policy of the Northwestern Mutual is made to order for your purpose—is a truly EXTRAORDINARY Life Plan of security, live or die.

Undoubtedly you have life insurance—but is it *enough?* To determine that, talk things over fully and frankly with a Northwestern Mutual agent. He's prepared to analyze needs, competent to arrange your plan to achieve exactly the personalized security you want.

The Northwestern Mutual Life Insurance Company — Money for Living — Milwaukee, Wis.

THE NORTHWESTERN MUTUAL LIFE INSURANCE COMPANY



INTERNATIONAL

Making the finest of gauges for measuring cannon bore is a test of industrial efficiency

Factories Win Modern Wars

By BRIG. GEN. HENRY J. REILLY, O.R.C.

MUST ADEQUATE defense be expensive? The answer is "Yes," but in this article a man who spent four months in Spain tells how to reduce the cost

"IN YOUR more than four months watching the fighting in Spain did you learn anything which could be of use to us in stopping up the holes in our national defense?"

Since I left Spain some weeks ago I have probably been asked this question more often than: "Which side is going to win?"

"Yes, I did," is my answer.

Since the Battle of Teruel, the war on the ground and in the air in Spain has been on a large enough scale to be classified as "Grand Warfare." Before that it passed first through a bush-whacking stage in which each side tried to grab the maximum number of towns and cities. Next came a period of minor warfare in which Franco cleaned up the North Coast and each side built up an army of hundreds of thousands.

Also the use of aviation for long range bombing and to aid troops in battle has become a commonplace.

Thus there is war on a large scale both on the ground and in the air.

The Germans and Italians on Franco's side consider the lessons learned in this fighting so important that they have already made changes in their armies and air forces.

Since both nations are comparatively poor, they spend no money on changes in equipment or armament except when convinced that they are vital.

I met and talked with many of the German artillerymen and aviators serving with Franco. I saw practically all the Italians and met and talked with a considerable number of their officers and aviators.

General Pershing, during the Great War of 1914-1918, did not hesitate to send back from the front officers of all ranks whom he did not think good enough. General Franco does the same. As a result the officers, whether with the ground troops or aviation, are alert and keenly interested in using every lesson of the war to make themselves and their commands more efficient.



U. S. ARMY AIR CORPS FROM INTERNATIONAL

A U. S. Army flying fortress camouflaged so that it will blend with markings of ground below. The airplane industry must be prepared to accomplish a huge assembly job in war time



ACME

Horse cavalry is far from extinct as demonstrated by this actual combat picture of Spanish cavalry engaged in mop-up duty. Number of squadrons in Franco's army increased from six to 60



INTERNATIONAL

U. S. Army's new .50 caliber anti-aircraft machine gun is said to be one of most effective in world. Machine tool industry would face big task of providing hundreds of machines for its manufacture in event of war

They tell you frankly that Spain has been asleep too long, that she must once more take her place as a European power and, therefore, must emerge from the civil war with a large and first class army and air force.

As Nationalist Spain is not rich, the question of getting the maximum military benefit out of every peseta spent is a constant problem.

The most important lesson that the Spanish Civil War has taught is that there is "no get rich quick" scheme of winning a war.

Man's latest war inventions, the airplane and the armored, armed motor vehicle, offer no easy and quick way to win.

Bombs don't win a war

BLOWING up civilians and destroying their homes and means of livelihood by airplane bombing doesn't win a war. Spain shows that, as long as men will still march to battle, raining destruction from the air is not the road to victory.

Therefore a large air force alone cannot win and thus save the necessity for and expense of an army.

The Spanish fighting also shows that large numbers of tanks and armored cars, seeking by their speed and weight to break through modern infantry and drive its remnants in panic from the battlefield, cannot win a war.

Thus this modern attempt to revive the power of the armored knight using a gas engine instead of a horse as the motive power will not work, at least when it is tried on well trained, well led infantry with courage and most Spanish infantry has courage.

The fact is that the Spanish Civil War proves the fullest military value can be gotten out of aviation, tanks and armored cars only when they have the cooperation of infantry, artillery and, in certain cases, cavalry mounted on horses.

At the same time these older arms must be supported by large numbers of planes and armored, armed motor-vehicles, if they are to succeed.

Inventions and the ability of modern industry to produce them have only added to the number of types and complexity of armament needed for war.

Then war becomes more and more expensive?

Yes, it does!

But, on the other hand, Spain confirms the lessons of our own history as to the way to get more defense for less money than has been true in the past, and a new way as well.

Therefore if we will take advantage now of the lessons of the Spanish Civil War we can have our needed adequate defense and that without tremendous expenditure.

To do this, it is necessary so to plan and prepare in peace time that, when war comes, we can use our great industry

as a weapon and not simply as a tremendous supply department.

Our industrial mobilization plans of today only contemplate its use as a supply department. Under this arrangement, when war comes, the sole benefit from our industry will be to insure immediate production on a large scale.

Abolishing this long wait undoubtedly will be more than an advantage. It will be a necessity because practically all first class powers have arrangements for immediate production on a large scale. Most of them, besides, have a large amount of equipment and armament continuously in the possession of their armed forces. We have not. So, even with excellent preparation for industrial mobilization, we would start behind any possible opponent.

Thanks to their experiences in Spain, Germany and Italy are undoubtedly planning to take the further step of preparing in peace to use their industry as a weapon in time of war.

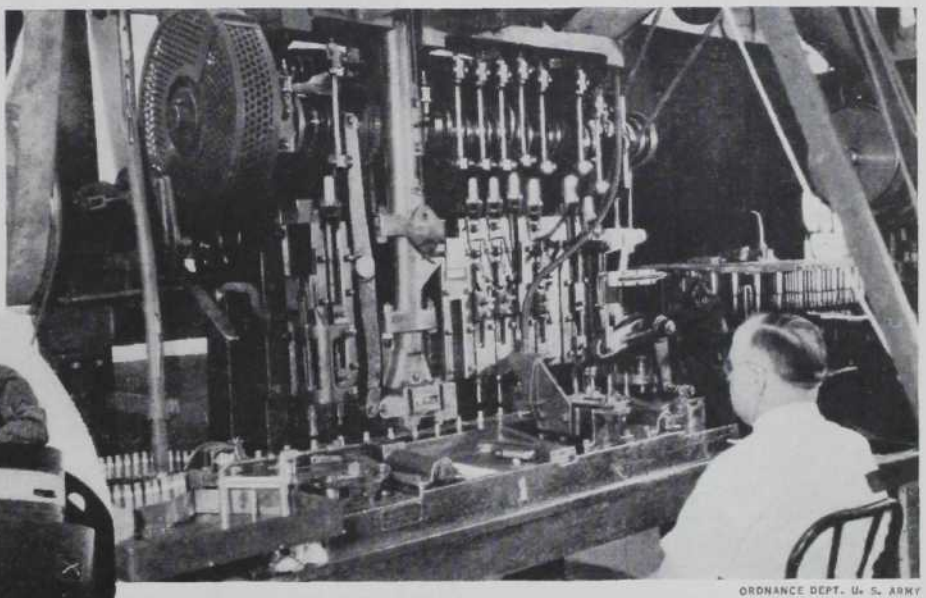
What do I mean as a weapon rather than a supply department?

There was a time when winning a war was considered solely as a problem of putting the most men on the battlefield.



INTERNATIONAL

General Forrest said, "Get there fustest with the mostest men." The Spaniards did it with tanks and demonstrated the increasing value of transportation when concentration of force was necessary



ORDNANCE DEPT. U. S. ARMY

Hundreds of machines for manufacture of .30 caliber cartridges will be needed. Here is a model. Casings come down S tube at left; powder drops through hopper; bullet falls through flexible tube at right



ACME

Mechanized cavalry and tanks are vital part of modern army

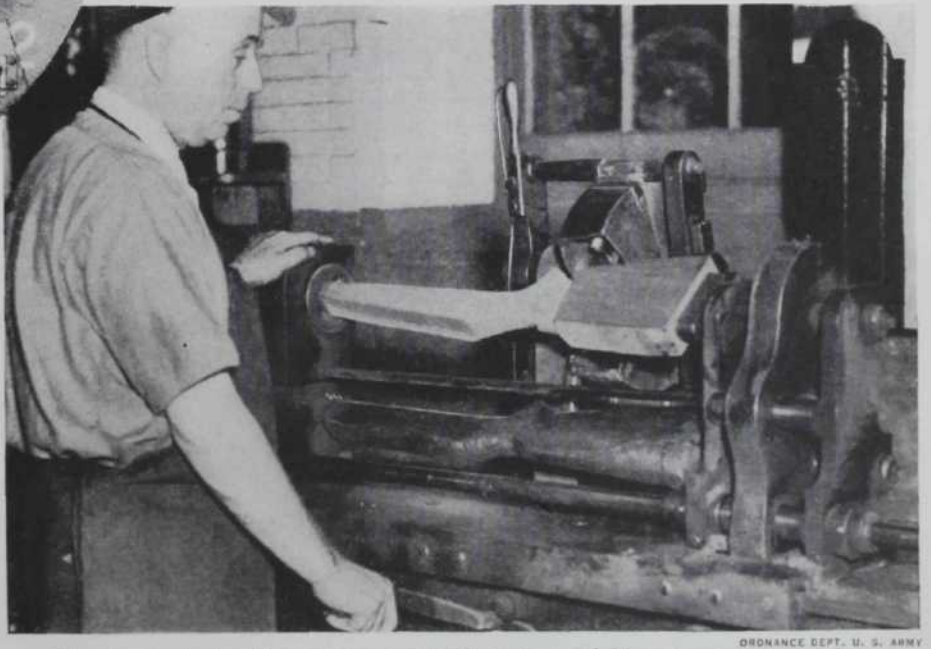
Then came the development of skill in the use of these men and tactics was born. Next came skill in their maneuvering on the way to battle so that the most skillful side fought under advantageous conditions. Thus strategy was born.

As a result, the most skillful tacticians and strategists frequently won though their armies were inferior in numbers.

Probably the Mongol invasions of Europe are the best examples of this.

The vast hordes overrunning everything like locusts never existed. Instead, the Mongols came in highly organized,

(Continued on page 56)



ORDNANCE DEPT. U. S. ARMY

Turning stocks for the new automatic rifle at Springfield armory. Furniture factories could turn them out by the thousands, once they are provided with the necessary machinery

When Your "Ivory Hunters"



IN THE past 20 years I have watched some 1,600 students leave my classes in business administration at the Massachusetts Institute of Technology for industrial positions, and I may say that never before has the cooperation to this end between manufacturers and collegiate institutions been closer and more thoughtful than today. Business men and teachers are cooperating to make this transition in the most effective way possible.

It is only natural that I should have observed some procedures which have proved to be particularly desirable; and I should further confess that I have had to change my opinion concerning some methods that, at first glance, seemed impractical.

For example, several years ago I discovered that the recruiting officers from some of the more active companies relied importantly upon subjective evidence when picking their next year's crop of novices. A little investigation revealed that they were searching for certain types of young men, and that frequently conformance to type weighed more heavily than scholastic rating, extra-curricular activities, or other criteria.

The logical assumption was that before the "ivory hunter" started on his rounds, some one high in officialdom had said:

> Now, here are the specifications and these are important. . . . And, by the way I like to see young men in our organization with square shoulders and plenty of drive. Of course, this is just a notion of mine. Good luck to you! and I shall be glad to look over the men you get for us.

There is little doubt that every candidate will be measured in terms of the specifications. But it is absolutely certain that square shoulders and plenty of drive will predominate when the crowd gathers for the introductory talk by the vice president.

I used to think that this tendency to hire in terms of type was questionable. Now I am sure that it is wise. Organizations, like the individuals who comprise them, have personalities; and a long step toward harmony and unity of action is compatibility. Birds of a feather do flock together.

There are plenty of organizations of equal effectiveness whose executive structures are as different as night and day. A young man of talent might fail in one and succeed in another. So I am satisfied that recruiting officers owe it to their company to have pretty clearly in mind the particular sort of person who will fit in their organization. With this requirement observed, the probability of finding a niche in terms of ability is greatly simplified.

Companies which have been definite about such qualifications have, in my opinion, been more than ordinarily successful in selecting and keeping their younger executive timber.

Getting classmates' opinions

SPEAKING of selection, I have come to admire the method used by one medium-sized company that has built up an extraordinarily hard hitting younger line of executives. Their recruiting officer stays at the plant. In his place, he sends as an emissary a former student of ours who was graduated in the past two or three years.

We usually do not see this young man until he has spent a few days at his fraternity house talking with present seniors who were first- or second-year men when he was here. When he appears, he has a list of the students whom he would like to see, and inasmuch as no one knows these men as well as do their own classmates, he rarely has any misinformation as to fundamental abilities. More than this, his words carry weight in the interviews because he was only recently a fellow student.

Incidentally, the president of this company told me that the plan worked well at the plant because it requires that college men be so dealt with that they will logically become enthusiastic emissaries. Candidates thus recruited are given travelling expenses to the plant for final interviews under condi-

Seek New Blood in the Colleges

By E. H. SCHELL

FORWARD-LOOKING companies have long made it a practice to visit the campuses in an annual search for new talent. Many of them have developed distinctive methods for selecting exactly the proper men for their organizations

tions which permit both parties to make a much more informed decision.

In this connection, I believe that money for travelling expenses for early interviews on the ground is money well spent. Round trip bus tickets are absurdly little in terms of the advantages to be gained in giving executives a chance to size up the man, and in giving the man a chance to see the job as a reality rather than through pamphlet or description.

A plan for choosing men

TO ME the ideal routine is one which affords a preliminary selection of men in the early spring; interviews at the plant in late March or April; no offer by the company at that time, but the assurance of a definite letter by early May, with the understanding that, should it contain an offer, definite response is expected within ten days or two weeks.

This leaves the student and the company equally free until close to graduation time, when a mutually acceptable decision may be more surely arrived at. When the student understands that the company will make no definite commitments to any one before the time specified, he will not view this interim as a delay. Conversely, experience tells me that, should the young man obtain an equally good opportunity in the meantime, he is in better position to make a sound decision. And nobody wants a man who wishes he had gone to work for somebody else.

Then there is the salary problem. A little while ago I had an able young fellow in my department whom I particularly wanted to place in good hands. One of our older graduates, now a general official in an excellent company, wrote me of their needs and I sent my young hopeful down for an interview. Compliments were exchanged and it looked like a deal.

Shortly thereafter when I asked my applicant how negotiations were proceeding, he said that he had agreed to take a position with another company. He admitted that the reason was the difference in the offering price. As I had gone to some pains to explain to him the policy of the first company which stood for a low starting wage but a promising future in a stable and conservative business I could not hold back further questions.

"Well," he said, "the difference between the two is enough so that I can pay off nearly one-half my indebtedness during my first year. My people have made many sacrifices; they hate to see me in debt. I think I owe it to them to take the job that sees me quickest out of it."

Debt hangs over the heads of large numbers of exceptionally able students because it is the able students who see the value of higher education. The better the men, the more promptly they will try to get debt-free. It is only logical that companies which offer a market-plus wage will appeal to the young man whose upbringing has engendered deep distaste for red ink. Until the depression years are further behind us, this condition will undoubtedly continue.

But, before I leave the subject of recruiting, I should admit that there are



We seldom see this young man until he has spent several days at his fraternity house checking up on students

always in every organization many minor executive positions which call perhaps for a collegiate quality of intellect but do not require the resource of collegiate training. More than this, we must remember that from every preparatory school come youngsters whose capabilities entitle them to the benefits of higher training but whose circumstances do not permit.

Choosing material for foremen

NOT long ago, I was told of a far-seeing organization in the Middle West which early determined to survey its immediate area for suitable timber for foremanship. First, its representative conferred with nearby high school principals who gave him the names of local boys mentally qualified but without further educational opportunity. Next, the home address of each boy was obtained, and the corner grocer interviewed. From him the name of the Sunday School teacher or minister enabled a third interview. When these brought good reports, the boy was approached.

This plan, inaugurated a considerable time ago, has now manned a majority of foremen's positions and brought into the organization a personnel which is an indigenous part of the land-owning community. The company has in truth tied itself deeply into the solid folk of its environs.

Nevertheless, industry is increasingly specifying technical training of collegiate grade as a prerequisite to executive work. The college graduate as a permanent foreman has presented real difficulties, however, inasmuch as neither he nor his parents are normally satisfied with such a post after the sacrifices of time and money that a four-year college course entails. One company is meeting this problem by reorganizing its operating units into somewhat larger groupings in charge of an executive having supervision over several working foremen.

This executive or supervisor, as he is called, has a budget of his own and is given relatively wide discretion in attaining planned results. Such responsibilities have a real appeal to the college man which means that trained brains are brought nearer the firing line of production than ever before.

Training courses obviously must vary. Yet they all have their troubles, one of which is their unfortunate tendency to come to an end just when there is no job to be had in the organization. One company of my acquaintance takes pains to make the length of the training period indeterminate, it being understood that, when the young man has completed his round, he is expected to return for further study and experience to one or more departments in which he has taken a particular interest. Thus he is held in willing reserve.

But sometimes the trouble is deeper. Older executives have not been brought round to the point of welcoming such permanent additions to their subordinate staff. A president of my acquaintance met this problem by making it clear that no present executive would be considered eligible for promotion until he had a trained subordinate ready to take his place. Again, he saw to it that no more trainees were introduced into his program than could readily be absorbed and that men so introduced were of such personal quality that they were competed for rather than shunned.



"This college man sprawls out on a bench while he gets his data. Make him stand up"

Errors to be avoided

ALMOST every one has the problem of the college man who finds it difficult to "make friends and influence people" in a group with whom he has never before associated. A thoughtful executive once decided to make a record of mistakes made by such novices and from these to draw lessons to be learned by later newcomers. He prepared a check-list of admonitions built out of past errors and spent a little time with each beginner citing these cases and drawing the morals. I recall that some of the rules laid down were as follows:

Keep your contacts interrogative. This prevents the shop people from putting you on the defensive, and appeals to their pride of superior knowledge. When they question you, ask more questions. If you cannot think of any more questions, withdraw.

Avoid all generalities. Keep to the specific. In your new approaches to shop people start at once on the specific details of your work. If you run out of specific detail, discontinue the conversation. Adherence to the specific during your first contacts stamps you as an ambitious—even if not an experienced—new member of the organization.

Do not talk about your car. Make no reference to prominent friends or relatives or to your experiences at college. Make no effort to improve your status. Let the results of your work prove your right to acceptance by shop people. Let them ask who you are and where you came from.

Be quiet and unassuming rather than entertaining. The less you talk for a while the less you may be misinterpreted. Enjoy listening to what the shop people say.

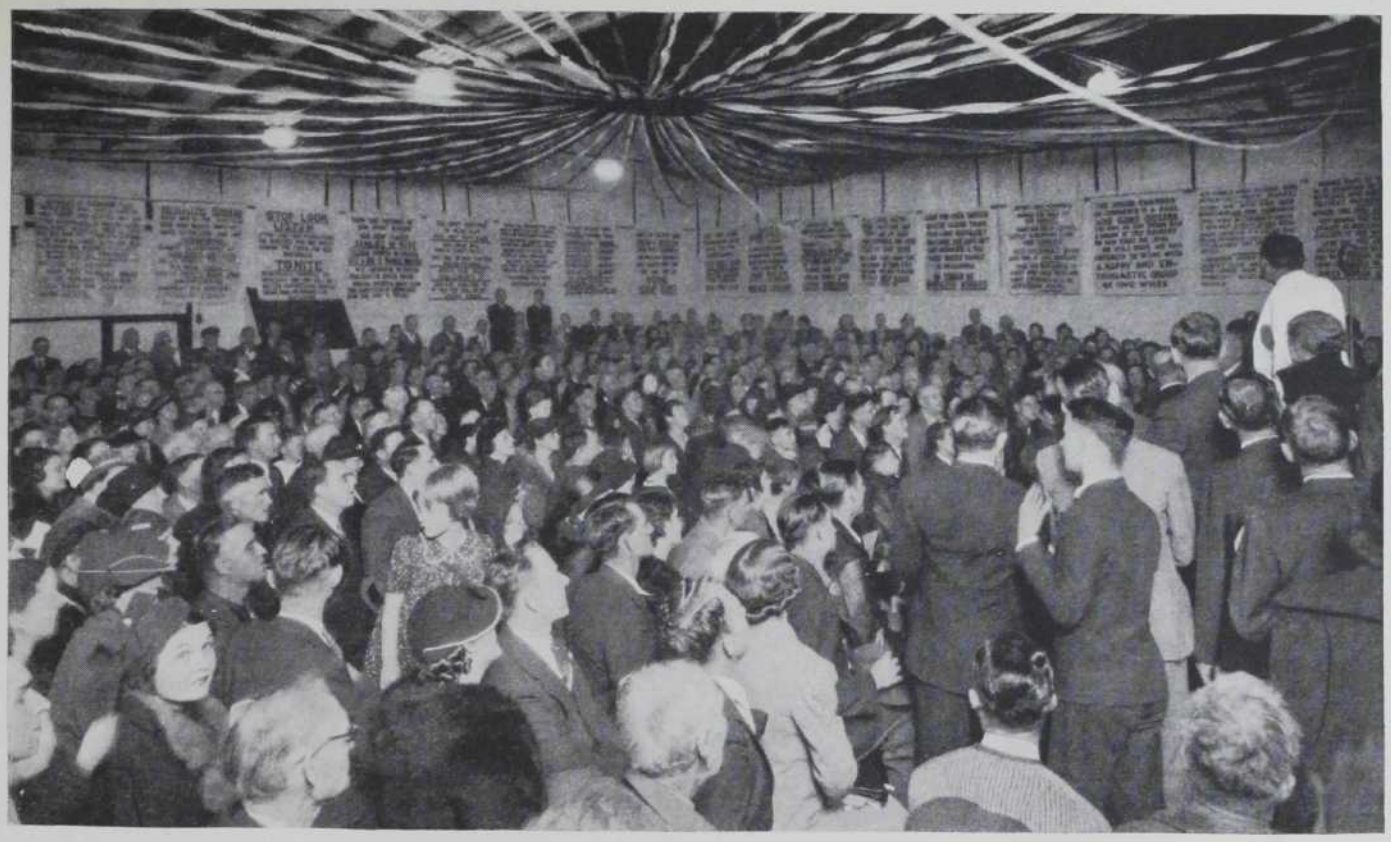
A superintendent once called up the general manager to ask that a new time study man be recalled from his factory. The reason given was, "My cutters are all piece workers hard at work. This college man is sprawled out across a bench while getting his data. The cutters are joking about the 'soft snap' he has. Teach him to show some vigor; at least make him stand up."

Be able to "take it" from foremen and shop executives without any comeback. Imagine yourself a private in the army.

Keep out of arguments in the shop. If the superintendent feeds you crow, eat it. Smile and forget it. Proceed with your assignment. Keep cool in personal difficulties and let more experienced executives straighten out the trouble.

An equally common

(Continued on page 78)



The Blue Button Jamboree proved that being a good citizen could be fun

The Town that Returned from the Grave

By MARVIN HURLEY

HOW a loyalty movement revived community spirit, stamped out defeatism and recreated civic pride in Okmulgee, Oklahoma

PHYSICISTS may know that a man can't lift himself by his bootstraps, but the business men of Okmulgee, Okla., know that teamwork, combined with a good community program and salesmanship, will enable a community to lift itself out of the ditch of defeatism. In 1938 the citizens of Okmulgee took their eyes off hopeless horizons and started harvesting the green grass under their feet. Today confidence has replaced fear and civic loyalty and pride are rebuilding community spirit.

Small towns and cities everywhere may benefit from Okmulgee's experience. The program and methods used to revive the hopes of the people there may supply the remedy needed by many mentally-sick communities. It is worth trying because the business men of this revived Oklahoma town are already reaping a reward for their efforts. Business in Okmulgee was better in 1938 than in 1937, and the improved spirit found every one much happier.

The closing months of 1937 found Okmulgee floundering in despondency. Business was bad and every one admitted that it was getting worse. Some went so far as to say that conditions would never be better in Okmulgee. Men went about their daily tasks resigned to the belief that the day of the small town is past—that Okmulgee was destined to be another "ghost town."

When members of the 1937 Okmulgee high school football team dragged themselves wearily from the field on Thanksgiving Day, they left behind them a record of no victories for the season. Only once had they crossed an opponent's goal line.

As a few hundred fans filed silently out of the stadium, a local business man remarked:

> You can't blame them. They play football the same way this town does everything else.

The thought was in many minds. After years of plenty, the lean years had come to Okmulgee. Even before Oklahoma became a state, Okmulgee, the capital of the Creek Nation, was a thriving commercial center. It was the beneficiary of a cattle and agricultural economy.

The discovery of oil in the area made Okmulgee a booming oil center. Money flowed freely. Commodity prices went up. New improvements, new buildings, new residence sections, new citizens and business activity continued as long as new pools were discovered.

As soon as the flush excitement began to lull and the oil fields settled

down to steady production, the floating oil population left. Okmulgee, a community with a population of 17,000, was left with nice homes, good business and public buildings, paved streets, good schools and churches, and an excellent water supply.

It was hard to realize that the boom days were over. Some of the citizens who had acquired wealth in the oil industry lost it in other ventures. This living in the boom days and then having the boom props knocked from under them naturally caused a low morale—the real cause of Okmulgee's slump.

A spirit of defeat

BY the fall of 1937, conditions had gone from bad to worse. The city had lost population, the merchants had ceased to keep well stocked with up-to-date merchandise, the streets were run down.

Civic pride was almost non-existent. Fathers advised their sons to locate elsewhere because there was no opportunity at home. Club and church membership was falling off, and strangers in town heard nothing but knocks from the home people.

Merchants told their clerks they were buying little fall merchandise because it would not sell. The clerks passed these reports on to their customers. Children heard the rumors of defeatism at home and carried them to school.

Even the Chamber of Commerce was about resigned to the fate that every one was predicting for Okmulgee. The Junior Chamber was also on the rocks. Their last major project had been a model home and, through lack of support, they were unable to sell several hundred dollars' worth of tickets, and could not, therefore, have the drawing and save their investment in the $3,500 house.

At this juncture something happened.

A small group of Chamber of Commerce members moved into the breach. They were men of action who woke up to the fact that their backs were to the wall. They realized that ordinary means would not suffice, that something dramatic and spectacular would be necessary.

On November 4, 1937, a number of Okmulgee citizens received carefully phrased invitations to attend an informal "feed" at the Beauclair Hotel at 7 p.m. five days later. The letters concluded "please do not show this invitation to any one." On the day of meeting the letters were followed up by telephone calls.

At the specified time every man was in his seat, and the two who had sent the invitations, an insurance man and a retail gasoline dealer, called the meeting to order. The former served as spokesman. He said:

> Something is wrong with Okmulgee. Discontent and defeatism are eating at the very vitals of our citizenship!

He locked the door and threw the key over the transom. The drama of this action paved the way for his further remarks:

> Tonight you are in executive session. Nothing you say will ever be quoted outside. But we are not going to leave this room until we decide what is wrong with our town.

Each man present was asked to tell what he thought was wrong. All spoke freely. Even the chairman was surprised at the number of things that were considered wrong. But the meeting served to bring the various underlying causes of community hopelessness out into the open where they could be examined. Some one mentioned the indebtedness incurred by the Junior Chamber of Commerce in connection with the model project. Within a few minutes the necessary $800 was subscribed. This was the only definite action taken, since the primary function of the meeting was to diagnose the community ills. The meeting adjourned at three o'clock in the morning.

Within a fortnight the "Secret 42" held another session at which plans were discussed "for the good of Okmulgee."

The leaders agreed upon a selling campaign. No pre-determined plan was submitted, but a program was developed step by step—adapted to the specific needs of Okmulgee.

First was the realization that all was not well with the city.

Second was a willingness to find *why*.

Third was the determination to remedy the situation.

By the time the third meeting was held a few days later, a definite plan had unfolded itself, a program known as "The Blue Button Loyalty Movement."

A birth of civic loyalty

A SMALL card, with a message folded inside, and with a blue button holding a small bow of black crêpe on the card, was at each place. Lights were turned out, and a spotlight was focused to reveal this pledge on the wall:

> I promise to do my part in creating a spirit of cooperation and civic pride in the citizenship of Okmulgee and surrounding territory.
>
> I promise to give my active support to all civic objectives which will help the greater majority of our citizenship and create a more substantial community.
>
> In token of the above pledge of my faith and loyalty to my community, I agree to wear my Blue Button which will be symbolic of the fact that I am a True Blue Citizen.

When the lights were turned on, every man unfolded the card to find the same pledge printed inside. Without further encouragement each signed. The bows of crêpe were burned

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Where relief clients and Chamber members used to meet each other, the renovated quarters reveal the new spirit

Six Years of Job Insurance

By FRED H. CLAUSEN



An active interest in the form and substance of their state laws should be an obligation for all employers

WORKING of compulsory unemployment laws concerns employers throughout the nation. Wisconsin's experience, begun in 1932, provides a realistic basis for judgment in squaring performance with anticipation. Here is a first-hand appraisal of the legislation by Fred H. Clausen, member of the Advisory Committee to the Industrial Commission, head of the Van Brunt Manufacturing Company, Horicon, Wis.

WISCONSIN has often been referred to as the "Guinea Pig" State for economic and social legislation. To a large extent this may be so, although in recent years we observe that other states are seriously contending for the title.

The rôle Guinea pig is an honorable and useful one if the results of the experiments are studied carefully and used. If they are ignored, then the "voice of experience" falls on inattentive ears and an opportunity is wasted.

As applied to compulsory unemployment compensation laws enacted by the various states, this situation has existed and I fear will continue unless some lessons are learned from what has already happened. This is the one excuse for the "gospel testimony" that now follows.

With a backlog of agitation which started 16 years ago, Wisconsin employers have been compelled to consider not only the impact of a proposed penalty system for involuntary unemployment but to try to understand the principles involved.

After prolonged discussions and debates, the Wisconsin law became a fact in 1932.

Since then we have had substantially more experience than any other state and we submit that, although six and one-half years is not a long time, it is the most sustained record that can be drawn on for observation and analysis.

It was our good fortune that Wisconsin lawmakers and the proponents welcomed the active interest and criticism of the employers who were expected to "pay the freight." That cooperation has been maintained through an Advisory Committee to the Industrial Commission made up of three representatives each of employers and labor organizations. As one of the members, I can testify that we have gotten along together and have helped to evolve a law that works. This set-up might not have functioned if the law's administrators had assumed a superior attitude and ignored the problems that are

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Dixie Land Has

By ROBERT TALLEY



Bud Sanders, who once raised only cotton, has good luck with corn



COMMERCIAL APPEAL PHOTOS

C. W. Armstrong poses with some of the varied reasons why he won the "Plant to Prosper" competition in 1937

"IT SURELY feels great," said H. L. Majure, a 49-year-old Arkansan, the other day when he paid off the $400 mortgage on his 40-acre farm.

Mr. Majure is something of a symbol of a new era that is arising in the Cotton South.

Three years ago he was a tenant farmer, living in a ramshackle cabin and worried about his uncertain future. Today he owns his farm, has on it new barns, outhouses and a modern six-room house, raises livestock and diversified crops. Last year, his first on his own farm, he netted a profit of more than $1,000.

That may sound like a dream or a Horatio Alger story, but it really happened. Moreover, Mr. Majure isn't alone. In the South's Cotton Belt today there are thousands like him. Some of them are share croppers, some renters, some farm owners—but all of them are determined to break away from the Cotton Belt's traditional one-crop system and grow their own food and feed on their own farms.



C. R. Underhill, R. B. Snowden, Jr., James R. Campbell and Leonard J. Kerr, of the Memphis Chamber Agricultural Committee, discuss plans

Discovered the Bluebird

UNDER THE SLOGAN, "Plant to Prosper," the land where cotton was once undisputed king is finding that the place to look for the solution to its varied economic problems is right in its own back yard



Land which once raised only cotton proves equally well adapted to the growing of feathered crops like these

This new movement is the Mid-South Plant to Prosper Competition, conducted annually by the Memphis *Commercial Appeal* and the Memphis Chamber of Commerce. It is a plan that has brought about a practical and productive relationship between business men and the farmers in their trade territory.

The *Commercial Appeal* and the Memphis Chamber of Commerce launched the competition in 1934. At that time the farmers were taking 40 per cent of their cotton acreage out of production in accordance with the Government's cotton reduction program and the Government was suggesting that this idle land be developed for a live-at-home plan. The *Commercial Appeal,* which had preached diversified farming for 20 years, saw an opportunity for a large scale demonstration of its principles. The business men of the Chamber of Commerce saw the



One of the reasons why those entered in the contest have to spend very little money for supplies. This room holds 1,862 cans of food

Betty Joe Sanders has green vegetables for all winter



necessity for a contiguous farming area that would be economically self-sustaining, no matter what happened to cotton.

They cooperated to encourage the live-at-home plan, announced cash prizes and trophies to be awarded to farmers making the best use of their former cotton land.

Helped buy their farms

THE plan's aim was simple but powerful. It introduced a new economic system that would enable a poverty-ridden share cropper to earn a farm of his own if he was willing to work; moreover, the plan emphasized to all cotton farmers the necessity of making their farms self-sustaining units by producing more food and feed.

The first year only 1,800 families participated. Last year 27,000 farm families took part through the *Commercial Appeal* alone, and 15,000 more through newspapers in three southern cities to which the campaign had spread.

Frank R. Ahlgren, executive editor of the *Commercial Appeal*, and R. B. Snowden, Jr., chairman of the Memphis Chamber of Commerce Agriculture Committee—pioneers in the movement—are confident that the number of participants in 1939 will be even greater.

The scope of the Plant to Prosper movement was pretty well outlined by Chester C. Davis, member of the board of governors of the Federal Reserve system, in addressing the winning contestants at Memphis last December. He said:

> In 1938 the Plant to Prosper competition covered an area of 392,000 square miles. It is estimated that the families engaged in it increased their production of feed crops, other cereals and hay, to the value of $3,000,000 this year. The increase in the value of the food they produced for their use—canned, preserved or consumed—is estimated at more than $5,000,000. Six hundred thousand acres, or more, the acreage removed from the production of cotton on these farms, were planted to cover crops to protect and enrich the soil.

The mechanics of competition are simple. Competing farm families keep careful accounts on Plant to Prosper record books which the *Commercial Appeal* distributes free. The county farm agents check these records. At the close of the annual competition each December, a committee of judges selects the winners on the following basis:

1. Living at home, 40 per cent. This includes the raising of the family's vegetables, meats and feed for livestock.
2. Diversification, 20 per cent. This means the raising of more than one money crop, the more the better.
3. Soil conservation, 20 per cent. This includes crop rotation, cover crops, terracing and similar approved farming methods.
4. Home improvement, 20 per cent. This means improvement of the farm home as far as the farm income will justify.

Nearly $5,000 in cash prizes, donated by the *Commercial Appeal*, the Memphis Chamber of Commerce and various local organizations in 250 Mid-South counties are awarded the various winners in Arkansas, Mississippi, Tennessee and certain sections of Missouri, Kentucky and Louisiana which the plan covers.

The *Commercial Appeal* awards silver trophies to the champions in the tenant, farm owner and plantation operator classifications. From among the various winners is chosen the Mid-South sweepstakes champion who receives a cash award of $500 and the Mid-South Plant to Prosper Trophy in addition to the $100 he collects as champion of his state.

The Mid-South champion the first year was J. H. (Bud) Sanders, a tenant farmer of Decatur County, Tenn.

Mr. Sanders had been farming for years but before 1934 had never tried to raise anything but cotton. When the Government cut his cotton allotment to less than 20 acres, he turned to other crops to supply his family needs.

He planted a garden, raised chickens and hogs, kept a cow and, that year for the first time, was able to keep his children in school the entire term.

The Mid-South champion in 1935 was George P. Harris, a land owner of Winona, Miss., who taught his seven Negro tenant families how to "live at home." Mr. Harris, who had won the Mississippi championship in the 1934 contest, had continued to practice diversification as well as spread its gospel.



Mr. and Mrs. H. L. Majure who graduated from tenant farmers to land owners in three years



Denton Fly, left, receives the trophy earned by raising 22 different crops on his 250 acre farm

Encouraged tenants

HE encouraged his colored tenants to grow their own food and feed crops, something they had never done before. He terraced his land to stop erosion, planted cover crops to conserve fertility, added beef cattle and hogs to his farm output and grew so much feed that he made an extra profit on it. On land that yielded 55 bushels an acre he produced more than 150 tons of corn.

Even more remarkable than Mr. Harris' victory was his record as a former share cropper who had worked himself up to become a farm owner. At 21 he had started share cropping. Four years later he stretched his credit to buy a 730-acre farm. There he and his young wife started their honeymoon in a one-room cabin. He reduced the number of tenants from 14 to six, and in six years he had the land improved and paid for.

When his two boys who were born in the ramshackle cabin

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Washington and Your Business

But They're Not Scared

AMERICANS seem not to have scared worth a cent during the war talk of the past few weeks. A faithful scrutiny of the editorial columns of the newspapers on file at the Congressional Library shows that they have been interested in what is going on in Europe but fairly cynical about the tub-thumping on our side. The consensus seems to be:

A. There will be no war in 1939. Something may happen to cool Europe down during the year.

B. The United States will certainly—stick a number of large, old-fashioned hatpins in this—certainly not take any part of a war based on European political reasons.

C. If the Monroe Doctrine were in danger we would defend it. But the Monroe Doctrine does not forbid other nations trading with our South American friends. If we cannot beat their prices we lose the trade.

Ever Hear a Hill Talking?

UP on The Hill both houses are talking out of the sides of their mouths. The whole Hill is at it. Not every member, of course.

"This war talk is partly politics."

All the senators and all the representatives are politicians. They have to be to hold their jobs. Allow for a morose doubt of others' motives and you must still allow that they know their business.

"It's aimed at 1940," they say.

They admit that a war-time president could not be defeated for reelection. But they think a war-talk president can be. That is the impression produced on one observer on his strolls through the corridors.

Nest Filled With Bad Eggs

NO one on The Hill, so far as this observer has been able to learn, has any fear that we will be attacked by any nation, or will attack any, or will get into any other nation's fight just because it's free. There seems fairly general agreement that our army and navy should be made effective for defense, and that both arms had been permitted to decline in efficiency in the past decade.

"All this blood pressure," some congressmen say, "is to keep us from worrying about our other diseases."

"What a Mess We've Weaved"

APOLOGIES for that head-line. Messes are never woven. But the congressmen point out that a number of half-baked chickens are coming home to roost. The metaphor seems to be getting worse. Whatever else the New Deal's cotton policy may have accomplished, it has definitely destroyed our foreign market. The ever normal granary contains about one-half more wheat and corn than was planned and a new crop will be harvested before long; 31,000,000 pounds of dark type tobacco and 60,000,000 pounds of wool are sealed under loan. If the farmers were to get all het up about an impending war they might forget to write their congressmen.

Fence-Wires are Twanging

TROUBLE is that if they did get interested in the prospects for war they would be writing their congressmen to complain of their telephone service. About 40,000—maybe 45,000—almost invisible telephone exchanges serve more than 1,000,000 farmers in the agricultural districts. Some of them are cooperatives and others are owned and operated by individuals or partnerships. They probably average fewer than 50 subscribers at incredibly small cost. Wires are run on fence posts, insulators made of bottle tops, and often a housewife acts as operator. If the wage-hour act is enforced almost every one will be put out of business. But when that happens their subscribers will certainly write their congressmen.

Harp with But Single String

THIS may seem monotonous, but there are so many other things Congress finds unpleasant to think about just now. There is the matter of buying gold, for example. The American Mining Congress has pointed out that we now have $14,500,000,000 at $35 an ounce, which is well over one-half the world's monetary gold. We are buying all that comes with borrowed money.

The miners suggest that if we keep on the other nations will simply stop bothering with a gold basis one of these days, and then where will we be? They suggest to Congress that the prohibition against the use of gold be broken down—perhaps by using minted gold to buy raw gold with—and so get the stuff back into circulation.

Prophet Holds Out His Neck

IN SPITE of the bear market on prophets it is hereby predicted that the I.C.C. will not be broken up by the Lea bill. Various reasons, but the big reason is that the Lea bill would permit the President to name eight new members and thereby obtain control of the I.C.C. Indications are that Congress proposes to maintain the I.C.C. as an independent agency. It does not seem likely that the F.C.C.—radio, telephone, etc.—will be recast along the lines desired by the White House. Key congressmen feel that everything desirable can be done under the present law. A new law might open the door to further political control.

"He Loves Me, Loves Me Not"

CONGRESS will be much less biddable during the remaining months of the session. Its members are beginning to take the idea of economy rather seriously. At least they do not shy when it blows into the road. They have been informed that the deficit of the United States is greater than the deficit of all the other nations combined. Some of them have been reading the digests of that five-pound inquiry into business done by Dr. Simon Kuznets for the non-profit making National Bureau of Economic Research. This shows among many other things that federal spending is worse than useless as an aid to get us out of the depression. In 11 years before 1929 Americans spent for durable goods one-third more than the federal Government did in 149 years for everything. Other countries started the depression in far worse condition than we were. They are better off now.

Scandal and the Mexican Oil

THE State Department is really trying to find some way by which to put the pressure on Mexico. The matter is in the hands of Assistant Secretary of State Welles and Secretary of State Hull is in the shadow. The story goes that

Welles has been told to get tough. This commentator urges Mr. Welles not to get too tough. Raymond Moley got tough with Mr. Hull on one occasion and practically swam home from England.

Utilities and Defense Plan

THE key men of the utilities who met with Assistant Secretary of War Johnson to work out the part to be played by the utilities in the planning for national defense were pleased with the treatment they received. They were assured that no new legislation is in prospect, no more yard-stick reformation is being planned, and that no attempt is to be made to seize financial control of their properties by means of loans forced on them. As soon as they can bring themselves to believe these things it is probable that a $1,000,000,000 betterment campaign will start.

Wolf Howling in the Woods

THESE things are admittedly hard to believe in face of other facts. Business men have shown themselves eager to cooperate with Secretary of Commerce Hopkins. The new secretary has manifested a desire to "help" business—

"Some of us do not think Government need help us. All we ask is that Government doesn't hurt us—"

His newly appointed executive assistant, Dr. Willard Thorp, is looked on as a sound man even if he is a radical. But there are persistent stories that, if the proposed reorganization bill is passed as the New Deal wants it, Mr. Hopkins will have more power than any two or three other secretaries. There is a slight chill in the thought.

He'd Rule on Sea and Land

AT the Maritime Commission there is a story that there is a plan for Hopkins to get the mercantile fleet. Maybe nothing in it, but one hears these stories. American shipping men complain that they have been getting the worst of the deal in some of the freight-rate making, and they approve legends of Hopkins's bellicosity. Reasons might be found for snipping the customs service out of the Treasury Department, and for half a dozen more or less minor shifts. Perhaps the utility men are justified in making certain that this is a true dawn and not just some one coming up the road with a lantern.

For the Sake of Clarity

WHEN the deal for the purchase of Nebraska power plants to be hitched on to the public power districts fathered and mothered by Senator George W. Norris was about to fall through, an official of the R.F.C. was approached:

"Would you lend money to buy these power plants?"

The official said that, yes, certainly, the R.F.C. would lend money, "If the security is sufficient. We are not backing any social experiments."

Highway Users on Road Taxes

THE National Highway Users Conference recently published an interesting brochure on automobile taxes. Among other things these statements were made:

There is a very real taxpayers' reaction against the creation of any debt at this time:

There is a pronounced trend toward pay-as-you-go programs in local road construction.

"Isn't This a Dainty Dish?"

THE idea first came to some one in High Authority in 1933. A committee had been named by President Roosevelt to look into the insurance business. A person in High Authority then said in effect:

These companies have too much money to be left to the control of private individuals.

There is only one other kind of an individual. That is a public individual.

The plain implication was that the companies should be controlled by the Government. The report made by the S.E.C. to the Temporary National Economic Committee shows that the companies now have assets valued at almost $26,000,000,000.

Douglas Puts it in Nicer Words

CHAIRMAN William O. Douglas of the S.E.C., in opening the insurance inquiry before the T.N.E.C., put the same thought in a different wrapping. He said that the purpose of the inquiry was to "survey the economic power" inherent in the vast investment funds controlled by the insurance companies and:

To study the impact of that power on the national economy.

If the T.N.E.C. decides that it does not like the "impact" of that power as it has been managed by the companies the only remedy would seem to be to turn over to the Government the business of handling the "impact."

To Burn the Tail-Feathers

THE first report made by the S.E.C. to the T.N.E.C. showed that the insurance companies have been well managed.

They have made money.

"Policy holders need not be alarmed."

The attack will be made along the lines familiar to those who have followed senatorial inquiries.

If some directors are found who have not regularly attended meetings of their directorates they will be burned alive.

May Fight for the Headlines

THE grapevine reports that a lively intracommittee row may develop. Douglas of the S.E.C. would like to handle the insurance inquiry. The insurance cases of 1906 made Charles Evans Hughes a national figure. He has at his elbow Leon Henderson and Jerome Frank, able, vocal, and well to the left of any fixed point. It is assumed that they will charge that the errors found by Hughes in 1906 are still present in the insurance business—nepotism, self perpetuating directorates, bank control. Especial attention will be turned on losses suffered by those who let their policies lapse and the high cost of industrial insurance.

Not so much may be said of those who buy and get protection. But Senator O'Mahoney may buck the S.E.C. line in this. After all the T.N.E.C. was his idea and he is ambitious and scrappy. He thinks the insurance business shows:

How the people have tried to build up social security for themselves.

O'Mahoney is in the senate, remember, and the senate is not the milk-giving animal it used to be. Now and then it makes sounds like a bull.

Permanent Body of Unemployed?

OPINION on the Hill seems to be that, while the W.P.A. may be continued as is, it will not be made into a permanent organization. A continuing pressure group of unemployed persons by career is a thing both political sides and both Houses of Congress are shrinking from. This is more especially the case because the Workers Alliance, headed by David Lasser, is a distinctly communistic body, and under Hopkins and Aubrey Williams was able to do about what it wanted with the W.P.A.

Not So Sure on F.D.I.C. Limit

AT THIS writing it was not certain that the proposition to raise the F.D.I.C. limit from $5,000 to $10,000 would be accepted by Congress. The larger banks urge that the larger protection might encourage slip-shod banking methods in an occasional small bank, whereas the smaller limit would lead the depositors to keep an eye on bankers who might have a tendency toward recklessness. Many of the smaller banks say they do not care. The $5,000 protection is all they need.

An Example of Low Thinking

IN THE Department of Justice they are disposed to believe that Attorney General Frank Murphy is just as nearly sanctified as in his autobiography he declared himself to be.

"But he's wise, too," they say.

An example of his wisdom, as stated by his friends, is that he proposes to open a branch office of his own in New York. The theory of the baser-minded is that he plans to copper District Attorney Dewey's bets if possible.

Sweat-Shops Coming Back?

EVERY time Wage-Hour Administrator Andrews sits down at his desk he finds a new headache. The latest is the discovery that one of the provisions of the law

Will encourage home-work.

In the horse-and-buggy days they called 'em sweat-shops. The job of clarifying the wage-hour bill promises to be one of the most laborious of the congressional winter.

Rebellion on West Slope?

OREGON seems to be almost as recalcitrant as Vermont. Last winter a law was enacted which severely restricted the activities of organized labor. Approved by the voters at a referendum, it forbids jurisdictional disputes and boycotts and restricts picketing and curtails labor union activity in political campaigns. Labor charges that it violates the federal and state constitutions, the Norris-LaGuardia Act and the Wagner Act, and the Social Security Board has been in doubt about its relations to the state while this Act remains in effect. But Oregon reports fewer strikes and lockouts.

It's All Right If it Works

ONE sentence in Mr. Roosevelt's letter in which he suggested that Congress take up once again the Florida ship canal and the Passamaquoddy tide-gig might be considered significant. Then, again, it might not be. In any case it introduces a new fiscal idea:

Engineers have told me that the canal's toll receipts would pay for upkeep and amortize the costs but would probably not meet interest charges.

In other words the government would get its money back without interest.

If federal indebtedness can be liquidated without the payment of interest, the field of future adventure will be greatly widened.

Just to Make Record Clear

CRITICS of the decision of the Supreme Court in the T.V.A. case fail to remember the self-imposed rule of the Court:

Considerations of propriety, as well as long established practice, demand that we refrain from passing upon the constitutionality of an act of Congress unless obliged to do so—when the question is raised by a party whose interests entitle him to raise it.

Another way of stating it might be to say that, if Congress makes a mistake, it is not and never has been up to the Court to correct it. Apparently the only interested party the Court would recognize in an attack on T.V.A. constitutionality would be a state.

Maybe This is Very Funny

THE former head of one of the great transcontinental roads talked recently with the head of a tractor-building company:

"We need more tractors out in my country," said the railroad man. "Why don't you get busy? You can sell all you make."

The tractor man almost broke down and cried:

"We installed new machinery," he said, "which would enable us to turn out 15 tractors a day. But the shop union will only let us build six. Our business is getting away from us."

"I was in the railroad business a good many years," said the other, "and I never yet heard of railroad workers pulling a slow-down strike."

One of Those Queer Things

NOT long ago the Board of Tax Appeals granted the Vanderbilt estate a reduction on the tax levied on the great Biltmore property near Asheville. As a home, in which 40 or more servants were employed, the Biltmore castle had been taxed so high that not even the Vanderbilts could stand it.

They turned it into a showplace, charged a $2 admission fee, presumably fired most of the servants, and their taxes were chopped about in half. The action taken was perfectly logical, of course. But men and women had lost their jobs.

Little T.V.A.'s May Dwindle

CONGRESS is turning a cold shoulder to the various "Little T.V.A." projects which were on the fire last winter.

If every congressman had a Little T.V.A., the report might be different, but the supply is not large enough to go around.

The somewhat ludicrous flop of the Nebraska show has slowed the congressional speed, too. It is a fair guess that appropriations for more federal power plants will be much less in the 76th Congress than could have been expected a few months ago. A good many millions will go over the dams, of course.

Deuces Wild and Sky's Limit

THE Treasury has stated that one of these fine days the statutory limit of $45,000,000,000 of federal debt must be raised. On the principle of cutting the dog's tail off an inch at a time the first raise will be for $5,000,000,000. But that is only the kind of debt for which pieces of paper are issued.

No one knows for how much money the United States has been obligated by the 22 agencies which have authority to borrow money. No one, probably, wants to know. Whoever heard of any one wanting to have his nightmare over again?

Herbert Corey

Women as Depression Pioneers

By JULIETTA B. KAHN

PERHAPS it is still a man's business world but the female of the species manages to find fields that men overlooked



RAMOS, BOGOTA

In South America, Mildred Johnson inspects the wild orchids which she imports for customers of her air shopping service



MORRILL CODY

Donita Ferguson demonstrates that flowers make an attractive head dress for evening wear

EVERYBODY who, as a child, read that delightful classic, "Swiss Family Robinson," will remember that the mother of the shipwrecked family had a mysterious bag out of which at extremely convenient moments she produced needles, thimbles, thread, pins and various other humble but highly necessary equipment with which the family fortunes were invariably repaired.

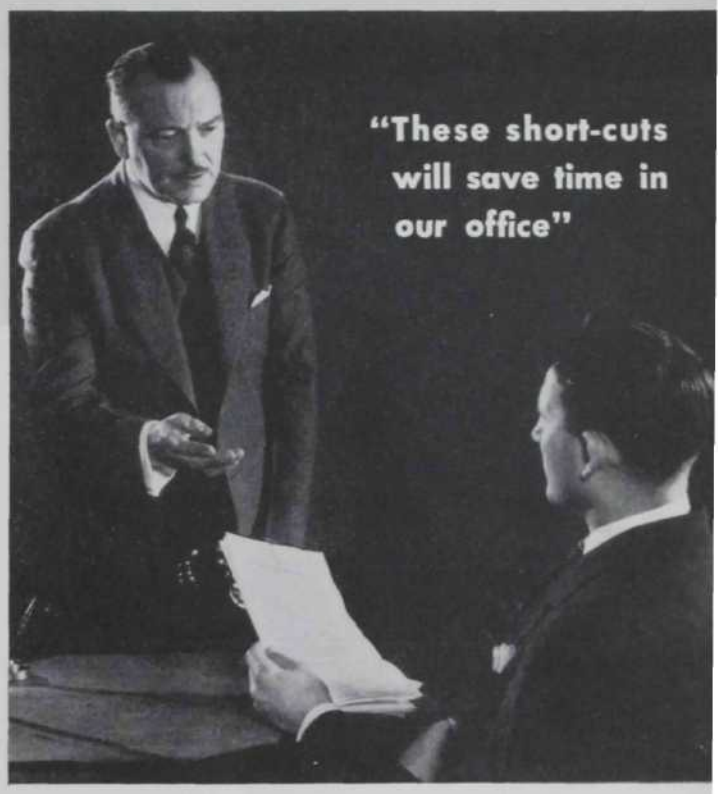
With something of her nonchalance in the face of misfortune, a group of women, in large cities and small, by sheer ingenuity and novelty of ideas, have developed businesses in the midst of depression which have started them on their way to economic security and a respected place in what is still primarily a man's business world.

The astounding fact about these twentieth century pioneers is that a fair proportion of them are fortyish —and more. Most of them are untrained in the ordinary business sense of the word. New twists to old ideas, rather than dollars, is their stock in hand.

Furthermore, these women have opened up many fields of work where men, like Mary's lamb, have been glad to follow. Although none of these innovators is in the millionaire class as yet, they are all making comfortable livings.

In this age of specialists, no person can possibly have at his fingertips all the resources essential to the smooth functioning of daily living. Sally Plunkett had kept house for herself and family in one of New York's most fashionable neighborhoods for a quarter of a century. She decided, at the very height of the depression, to go into a new kind of business, which in the beginning, she operated from her own home. Her initial investment was $40. She spent six months in establishing contacts with shops and agencies, as well as individuals whom she patronizes, and then established a service that will give the customer, regardless of where he lives, anything or every-

Here's the first step toward meeting the HOURS PROBLEM in an office...



Survey the work on each desk to determine whether your present routine handicaps your office force

Look for the "Bottlenecks"

If any department or individual is obliged to be inactive when work "clogs" at some other point, the cause of the bottleneck should be discovered. A slight change in equipment or routine may insure a more even flow of work.

•

Look for the "Peaks"

If sales, purchases, costs, and other figures are merely recorded from day to day, peaks arise when employees must rehandle the figures to write customers' statements, take a trial balance, analyze accounts, or complete statistical reports. Newer methods make it possible to iron out the peaks by eliminating costly rehandling of figures.

Look for Unnecessary Duplications

Duplication of media or records in a separate operation takes time and creates the possibility of errors. If unproductive intermediate steps are required to fit your work to your present machines or system, investigate "direct-to-final-results" methods.

•

Look for Needless Operations

Studying the work at each desk may reveal how a few simple short-cuts would save thousands of needless operations on your figuring, accounting, form-writing, and statistical work.



SEND FOR THIS BOOKLET!

For the executive concerned with the problem of conserving clerical hours, this new booklet contains many specific suggestions for readjusting office routine. Send for your free copy today.

There is an easier, simpler way to handle almost any job. Let Burroughs help you find it with a desk-to-desk analysis. Telephone the local Burroughs office today.

BURROUGHS ADDING MACHINE COMPANY
6003 SECOND BLVD., DETROIT, MICH.

Burroughs

thing he wants—at a cost no greater than he pays elsewhere. Her fee is collected from the source of supply—not from the customer, she is careful to point out.

Variety of services

BLONDE, slender, chic, young in voice and manner despite her boast of being a grandmother, Sally Plunkett's Personal Service takes charge of anything from selecting and equipping a complete house to buying you a particular kind of powder puff or to having your blankets laundered and rebound.

In four years her business has outgrown her own home, and she now occupies two entire floors in an imposing office building. There she found it necessary to establish a unique kind of employment agency where domestic helpers are carefully selected and delivered "made to order" for one hour or for a lifetime, without the harassed housewife's ever having to enter the agency. Her clients have sent her to Europe to shop for them—or into the ten cent store. Her motto is "nothing is too much trouble and no trouble is too much."

One day's work might mean filling orders for two spring suits and a string of pearls, a new sofa, a masseuse, a seamstress on odd Fridays. The next day she may be asked to find the world's cleanest window cleaner, the country's most inexpensive tailor, a psychic fortune teller. She has had requests from Montana for sweepstakes tickets and from Canada for complete trousseaux.

When this astonishing woman does things they stay done. Last summer she rented a large duplex apartment for a client returning after six years abroad. She met the mistress of the house at the boat with governesses for her children and had the house decked out and staffed to welcome her. And the servants are still there.

Sally Plunkett's daily mail is a continuous surprise package. Requests come from the ends of the earth. Among the successfully filled orders which would make ordinary mortals' hair turn white are: one thoroughbred gray stallion, 17 hands high; 72 pairs of boilproof marquisette curtains for a Georgian house, every window of which is a different size; removing the nicks from four fine old Waterford goblets; locating one crystal girandole missing from a glass decanter and a good many others—often supplied at less than a day's notice.

One of her outstanding successes which any woman will appreciate was a complete wardrobe for a hurriedly planned round-the-world trip. She not only bought the clothes in four and a half days but had her own fitter make the necessary alterations. She demurely states that she has been called on to remove a large spot from a beige carpet without taking the carpet off the floor; to get an accordion teacher for a retired stock broker, and to send a custard pie as a New Year's air-mail present from New York to California! (P. S. It arrived right-side up, packed by Sally Plunkett herself in the same manifold wrappers in which she sends out choice china and glassware!)

Her little wedding-like announcements to friends and friends of friends are the only advertising she has ever used. Her customers know that what she has to sell is "Service" and that her telephone girls take orders any hour in the 24. It is, in a real sense, distinguished personal service.



Mrs. Ann Arthur organized "Jeeves, Inc.," and solved the part-time servant problem for harassed New Yorkers

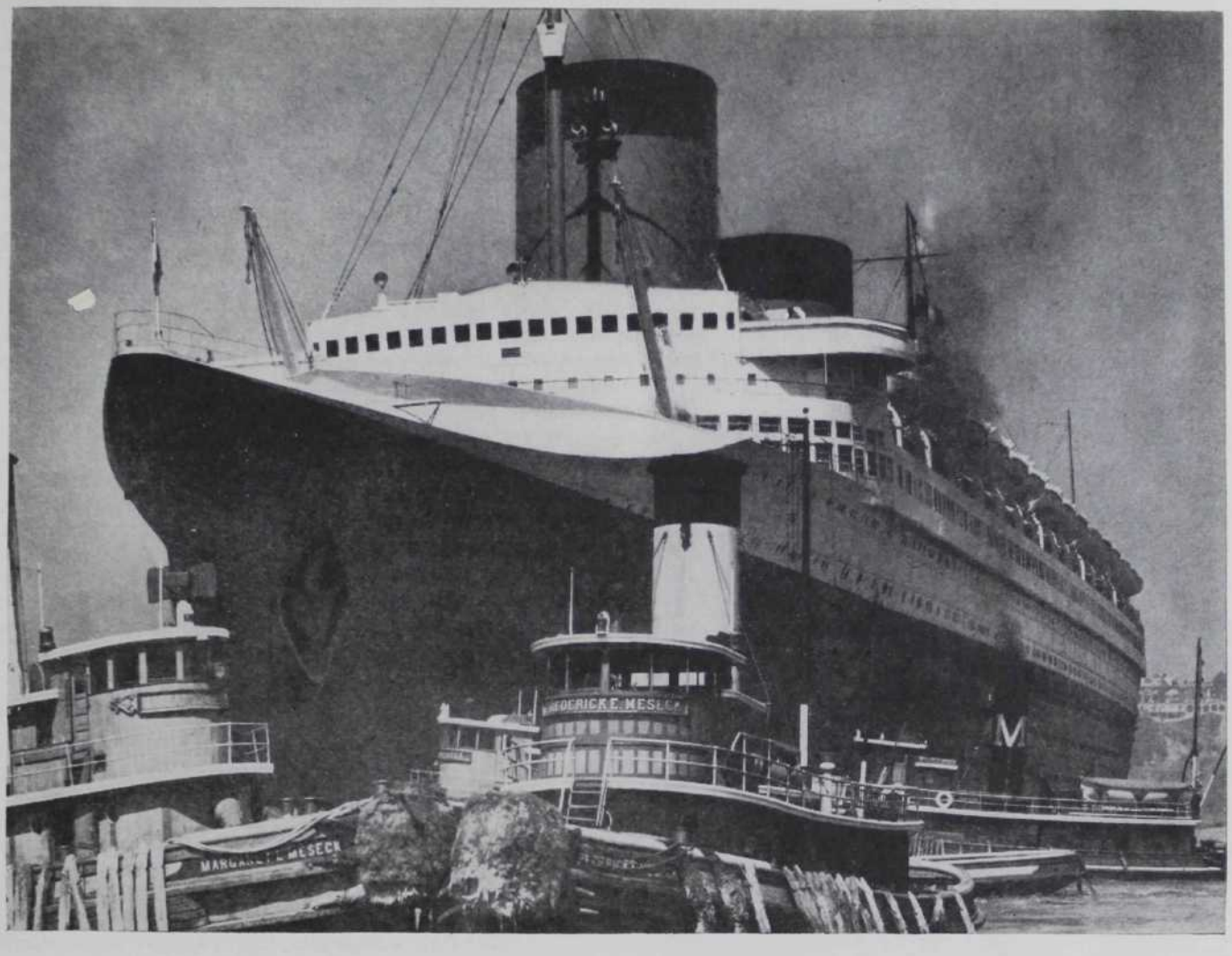
Flowers and service

DONITA FERGUSON, who calls her business "Flowers, Inc.," had the idea, too, that service, not flowers alone, was what the florist business needed. She and her husband (who claims he never knew a dandelion from a daisy before April Fool's day, 1938) decided out of an inspiration born of the recession, to pool what they both knew as advertising experts and writers. Against the advice of all the hard-headed men they consulted, they opened an entirely new kind of business at the end, rather than the beginning, of the normal business season. The theory was that if they could last through the summer, and get a head start over the competitors whom they shrewdly foresaw, they could survive. And survive they did, as proved by the fact that seven months after their start in an old loft in the wholesale flower district in New York, they opened a branch in Boston.

Apparently their idea is a sure-fire seller anywhere—provided you get a designer sufficiently adroit to create brooches, bracelets, fans, turbans—anything and everything—out of fresh flowers, bought in the open market on order only, and designed to meet the individual customer's desires of the day.

Since Flowers, Inc., does business only by telephone or mail, they do not need a pretentious office, or for that matter, any office at all. A corner in the loft, away from the crude wooden tables where their product is handled as it is bought, is enough. Since they have no stock except that which is to be made up and delivered, they never have to worry about left-overs, that bane of the flower-seller.

As a warning to those who might



How much Oil does it take to get to England?



HOW MUCH OIL does it take to get to England? That depends entirely on the size of the ship —and the weather.



For instance, while it takes only about 400 tons of fuel oil to drive a 7,500-ton freighter across the Atlantic, the giant turbines of a luxury liner will use up almost 5,000 tons on a normal trans-Atlantic crossing.

But no captain, or chief engineer, is foolhardy enough to count on a "normal" crossing. So the freighter takes on at least 100 extra tons of fuel oil—and the liner, at least 1,200 extra tons . . . a reasonable margin of safety to carry each ship through storms and heavy going.

What has oil to do with life insurance?

Ships, and the fuel oil they carry, help to explain a number of things about a life insurance company's "reserves."

There are two kinds of reserves.

The first is sometimes called "legal reserve" because it is fixed by law. And the amount required as "legal reserve" varies under different conditions—depending upon the kinds of insurance, and the *amount* of each kind which the company has in force, the *ages* at which the insurance was issued, and the *length of time* it has been in effect.

This "legal reserve" must be enough, when added to payments to be received in the future, to pay the company's obligations as they normally fall due. This reserve—checked periodically by State and Dominion insurance departments—represents the "fuel oil" the company needs to get to "port" under *normal* conditions.

But naturally, no life insurance company can foretell the "weather" it may head into . . . the unexpected situations it may be called upon to meet. So the company maintains another, and of course much smaller fund, called its contingency reserve or surplus. This smaller amount, like the extra oil a steamer carries, represents a margin of safety for emergencies.

In short, a life insurance company's total reserves must be sufficient to enable it to discharge its financial obligations to its policyholders—*in good times and bad*—whenever these obligations fall due.

COPYRIGHT 1939—METROPOLITAN LIFE INSURANCE CO.

This is Number 11 in a series of advertisements designed to give the public a clearer understanding of how a life insurance company operates. Copies of preceding advertisements will be mailed upon request.

Metropolitan Life Insurance Company

(A MUTUAL COMPANY)



Frederick H. Ecker,
CHAIRMAN OF THE BOARD
Leroy A. Lincoln,
PRESIDENT

1 MADISON AVENUE, NEW YORK, N. Y.

Plan to visit the Metropolitan's exhibits at the ***Golden Gate International Exposition in San Francisco*** *and at the* ***New York World's Fair.***

want to follow Donita Ferguson's example, it might be well to point out that the business at the beginning was simplicity itself. All she offered to do was to supply fresh posies on a subscription plan by which blossoms arrived at your home or office any day or days of the week you selected. "Geared to fit your budget because we haven't the expense of a store," her attractive subscription card read.

But it was her unique corsages, supplied to models at the Sally Victor Millinery show which put her on the map so far as fashionable New York is concerned. Testing her idea out further at cocktail and studio parties, in June she literally blossomed out with a business tie-up that hasn't failed so far to draw customers, not one by one, but in the large group orders which make any business pay.

Advertising films

WHEN Gaumont-British films opened their "Three on a Week-End" at the Continental Theater in New York, Flowers, Inc., had the bright idea of promoting the show by presenting free gardenias to the patrons of the fashionable restaurants. Attached to each dewy gardenia, presented with the film company's compliments, was a card reading, "An Invitation from lovely Margaret Lockwood to Gaumont-British's New Hit. Gardenias by Flowers, Inc. Flowers by subscription; budget gardens."

Everybody was delighted. The patrons loved it, the management thought it was wonderful, and, naturally, Flowers, Inc., was tickled by the 3,000-plus gardenias it distributed.

And 24 hours before the exotic "Algiers" opened, 3,000 orchids were distributed to the women guests at 25 of the leading night clubs in New York, each flower tabbed with a small card with a suggestion that the play was fittingly typed by the flowers.

Subsequently Bonwit Teller and Charbert Perfumes got together and handed Flowers, Inc., an order for 375 gardenias to go to women in high-class restaurants with a card offering to distribute a flacon of the perfume free for a trip to Bonwit's cosmetic counter. A couple of weeks earlier 15,000 women in New York and New Jersey had received a red rose in their homes at breakfast with an invitation to visit Lord and Taylor's Fifth Avenue store. Since then the idea has been sold to a variety of merchandisers at a favorable cost.

The business has "caught on" with amazing celerity; it has become fashionable to wear flowers instead of jeweled accessories at New York's smartest cocktail and after-theater parties. Donita Ferguson, herself youthful, slim, always provocatively dressed with especially designed boutonnieres or shoulder bouquets, is a living advertisement of a glamorous business. When she appears with gladioli massed into an adornment that has all the effect of a ruffled white vestee, "ohs" and "ahs" follow her trim figure. (She calls that one "White Whispers" and it costs $2. All her exclusive designs are named.)

When Donita appears at the opera with an evening fan she calls "Calliope" made out of violently yellow miniature calla lilies, every woman within seeing distance wants one exactly like it. Only she doesn't get it—and that's where the ingenious idea gets in its best work. The customer gets something made for her and her alone. That expensive exclusiveness which we all love can be hers at a surprisingly reasonable rate, with a corsage subscription costing $1.50 a week, and a whole range of cut flower subscriptions, new ideas for parties, table arrangements, weddings, flowers to match your hair-do, ways of reaching selected prospects or business executives in their offices.

Miss Ferguson (and her husband, who acts as sales-manager) haven't run out of ideas yet.

American women are employed in more than 500 different occupations. Gone are the days when the only place for a woman outside the home was in the schoolroom; today women go where men go; do men's jobs and do them well.

A new type of shopping

ONE kind of business that so far hasn't had to fight competition is air-shopping. Mildred Johnson, of Tudor City, New York, filled thousands of orders last year for articles as disparate as tropic parrots from Texas to fresh leis from Hawaii.

Free-lance writing on aviation and experience both as air pilot and former instructor of air hostesses gave Miss Johnson the background which enabled her to establish her shopping service. Boldly starting out in 1933, she circulated her attractive folders at airports, hotels and restaurants throughout the country, offering to fill orders for perishables or articles wanted in a hurry from any point within reach of an air line.

Making shopping glamorous—and still keeping the price down—is the secret of Mildred Johnson's success. What woman wouldn't want passion flowers shipped straight from Bermuda, or her favorite perfume bought in Havana, packaged attractively, with an "air-log" stating just when and from what point her gift came, and how many hours and minutes by air brought it to her door?

This fall Miss Johnson's flights to South America opened up an entirely new market, and now Mrs. United States may order sweet-smelling, rare varieties of wild orchids shipped from South American jungles. The Stork Club—New York's ultra fashionable restaurant—takes all the wild orchids she can send them in the winter season (about 300 a day) and offers them gratis, with a fine flourish, to their delighted patrons. This spring, Miss Johnson will be able to import thousands of these fragrant blossoms when orchids are "in season" in Colombia. Then she plans to sell them, as she already retails the specially packaged coffee from the Colombian interior, to thousands of customers all over the United States and Canada. She is also interesting one of the world's great perfume manufacturers in marketing a new fragrance, made from the heady, sweet flowers she has brought for the first time to the American market; it will probably make its first appearance in time for the Easter parade. Miss Johnson is never at a loss for new ideas!

Hostesses for airplanes

THIS isn't the first time that Miss Johnson has pioneered; it was she who in 1931, while air line officials scoffed at her "wild idea," introduced air hostesses to the world. They wouldn't give her an appropriation for salaries so, for her first trip, she used chorus girls from one of the season's hits; the newspapers razzed her, but the idea caught on and, as a result of her success, the air line made her director of promotion and publicity—until she decided she could use her ideas to more advantage in her own infant business!

Venison from Canada for the Christmas tables in Florida, gila monsters for a Wisconsin zoo, sea food fresh from eastern waters for a restaurant in the interior of Idaho—anything, from anywhere, and the cost reckoned by weight. Now milady may sit in her penthouse apartment in New York and telephone at six p. m. for stone crab claws from Florida for tomorrow's dinner party.

The balance of trade and favorable exchange in some countries has made it profitable, too, for Miss Johnson to import fashions, for example, to her Peruvian and Colombian customers, in exchange for the delicacies she ships to the United States. Last year she staged a fashion show in the Rainbow Room of Rockefeller Center, and, with the cooperation of the National Broadcasting Company, displayed an odd and beautiful assortment of clothes from all parts of the globe. Brought in by air were oriental costumes from China, exotic shawls

(Continued on page 82)

Comptometers iron out INLAND STEEL figure-work problems

INLAND STEEL COMPANY, one of the industry's leading "independents," is justly proud of its modern steel-making equipment, its straight-line production methods, and the controlled quality and uniformity of its products.

And at Inland Steel's Indiana Harbor and Chicago Offices there is pride in the efficiency and speed with which figure work is handled. For behind the spectacular "fireworks" of actual steel production, there are figures on which profits depend.

Mr. W. D. Truesdale, Treasurer of the Inland Steel Company, says: "We handle the greater part of our figure work—involving sales and purchases, sales distribution, payroll, production and various statistical and general accounting work—on the Comptometer.

"We are convinced it is one of the best machines for our work, and that the remarkable accuracy and speed of the Comptometer, and the efficiency of Comptometer methods, effect noteworthy economies in the handling of this phase of our business."

* * *

Are outmoded figure-work methods costing your concern time and money? Our representatives are prepared to demonstrate (in your offices, on your work) the meaning of "Comptometer economy."

Telephone your local Comptometer office . . . or write direct to Felt & Tarrant Mfg. Co., 1712 N. Paulina Street, Chicago, Ill.



Steel in the Raw. *Here molten iron is poured into an open-hearth furnace at Inland Steel's Indiana Harbor plant—will emerge as steel, ready for the rolling mills. In this plant, Comptometers are also used in compiling production figures.*

COMPTOMETER

REG. U. S. PAT. OFF.



It's a Man's World *in this Comptometer "battery" at Inland Steel Company's Indiana Harbor plant. These operators, who figure the payroll for approximately 10,000 men, were trained "on the job." Comptometers are also used by Inland Steel Company's various subsidiaries, including Joseph T. Ryerson & Son, Inc., and Milcor Steel Company.*

No Business Can Escape Change

Business, even when half strangled by the tax collector, continues to serve the people

1 • A NEW line of labels with a distinctive adhesive adheres well without moistening to any smooth non-porous surface such as glass, metals, plastics, yet can be pulled off without leaving a trace of their presence.

2 • A NEW pH meter operating from an ordinary 110 volt A.C. electric supply uses shielded glass electrodes and may be installed in flow lines without stray currents. It may be coupled to a recorder and to an automatic controller mechanism to maintain any acidity desired.

3 • FOR COMMERCIAL laundries there is a new washing machine that has a time-saving unloading device. The whole batch is mechanically wrapped in a special fabric belt which can be unloaded by hoist and carried direct to extractor or dumped into a truck tub.

4 • A FLASHLIGHT with rechargeable miniature storage battery which is permanently sealed is designed primarily for automobile use. It rests, when not in use, in a charging frame connected to the automobile battery which keeps it properly charged.

5 • A NEW material to treat galvanizing for paint is designed to clean dirt and grease and build up, rather than etch out, a rough surface to which the paint will adhere.

6 • A CELLULOSE product is now available in a form that may be applied as a plate coating by spraying or dipping. The product shows color with a lustrous surface and greater depth. It can be buffed or polished, and is tough enough to outwear some other plating jobs.

7 • A BAT for soft ball is now made of an aluminum alloy. It is said to have good resiliency, not to sting the hands no matter how held, and not to break in use. It can drive a ball as far as a wooden bat.

8 • FOR CARS with hydraulic brakes there is a safety device which seals off either front or rear lines if a leak occurs so that the other line will continue to function. Lights on the instrument panel indicate when both lines are operating properly.

9 • A NEW envelope for banking by mail has deposit slip and bank's receipt attached, yet the envelope seals completely. The deposit slip is standard size when detached along perforated line.

10 • FOR HECTOGRAPH duplication—either spirit or gelatine process—there is a new assembly of carbon and master copy sheet in one unit for easy preparation. The carbon is easily attached for reproduction of the master.

11 • A NOVEL series of tags have been developed primarily for those who ship for consignment sales. Part of the tag is cut off by the agent and the pieces show both buyer and seller definitely the discount at which sold. Modifications can be made for certain types of inventory control as the prevention of bartenders' refilling bottles.

12 • A TELEPHONE system that is powered solely by the speaker's voice has been developed primarily for use on shipboard but its weather resistant construction also adapts it for camps, warehouses or exposed locations. Each station can call any of five other stations.

13 • CONTINUOUS inkless recording instruments for ammeters and voltmeters have just been announced. They are portable, but may be wall- or pole-mounted. The record is a series of dots made through a typewriter ribbon.

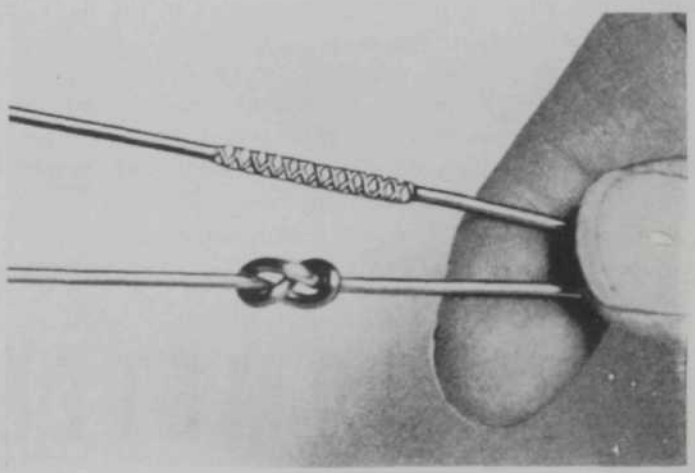
14 • A NEW brake for alternating current service on elevators, cranes, hoists, and the like, provides quick cushioned service for stopping or holding a load. The brake is held open by a torque motor but when the circuit is opened a helical spring sets the brake.

15 • A NOVEL device permits inflating the spare tire in an automobile trunk without opening the trunk. It is a rubber tube with proper fittings run from the tire valve to the outside.

16 • A SUPPLEMENTARY automobile door lock for the safety of children prevents the door from being opened while the engine is running. It operates automatically from the manifold vacuum and does not interfere with the regular locks.

17 • A NEW gas gun resembles and operates somewhat like an automatic pistol except that the clip is in the shape of a multiple barrel. The gun is made of a special alloy to prevent gas corrosion, weighs only 21 ounces, is caliber .60.

18 • A NEW type plaque is made economically of a rubber composition and given a metallic finish to resemble bronze, silver, or gold. It is flexible, light weight, long lasting.



23 • A NEW type magnet wire, insulated with a synthetic resin, is tougher and more flexible than conventional coatings. It requires less space for insulation, and has a higher resistance to abrasion.

19 • A SMALL hydraulic pump with variable volume and accuracy of control down to five cubic inches a minute has just been announced. It can also be used to maintain constant pressure up to 1,000 pounds per square inch.

20 • FOR electrical appliances mercury switches have been adapted. They are silent, long-lasting, have no springs or blades to wear out and no contacts to deteriorate. The switches are glass-sealed on a ceramic barrier, have hydrogen gas to quench the arc.

21 • AN EXTENSIBLE aerial for automobiles is now made which is extended or dropped instantly by vacuum. It is operated by a control button on the instrument panel. Completely closed, it shows only a small knob on the car.

22 • A FLEXIBLE all-steel hose is now made in one piece and gas-tight for such severe service as diesel exhaust connections. It is highly resistant to vibration fatigue.

—WILLARD L. HAMMER

EDITOR'S NOTE—This material is gathered from the many sources to which NATION'S BUSINESS has access and from the flow of business news into our offices in Washington. Further information on any of these items can be had by writing us.

Magnetic Miracles

How you can make easy work of many "impossible" problems

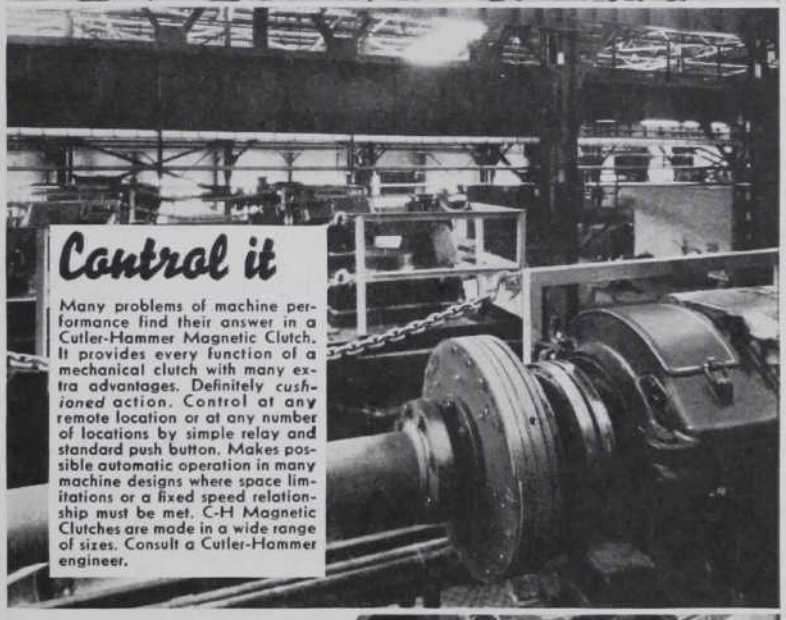
If anyone says these are not miracles, let him look at the savings many industries are making by using Cutler-Hammer electro-magnetic devices. Let him see giant machines clutched and declutched smoothly at the touch of a remote button . . . or parts of machines started and stopped in automatic cycles. Or let him see huge stacks of freezing-cold, jagged scrap metal . . . or castings red hot from the mold . . . wafted about by a C-H Lifting Magnet. Such "miracles" pay handsome dividends to people who find ways to use them. Ask a Cutler-Hammer engineer about your problem. CUTLER-HAMMER, Inc., *Pioneer Electrical Manufacturers*, 1251 St. Paul Ave., Milwaukee, Wis.



Lift it A Cutler-Hammer Supermagnet does jobs in minutes that formerly required hours. Handles jagged scrap, rolls of hot steel strip, red hot castings; rails, wheels, bars, tubes; nails or steel parts in kegs, bags or boxes. Works equally well under blazing sun or in sub-zero ice. Is it the answer to *your* handling problem? Ask Cutler-Hammer engineers for counsel.



Sort it In many manufacturing processes, stray iron can cause much trouble. It can damage machines, demoralize production. It can contaminate chemicals, foodstuffs or many other substances in process. You may have any one of a dozen reasons for using a Cutler-Hammer Magnetic Separator. Why not discuss your problem with a qualified expert. Write for a Cutler-Hammer engineer.



Control it Many problems of machine performance find their answer in a Cutler-Hammer Magnetic Clutch. It provides every function of a mechanical clutch with many extra advantages. Definitely *cushioned* action. Control at any remote location or at any number of locations by simple relay and standard push button. Makes possible automatic operation in many machine designs where space limitations or a fixed speed relationship must be met. C-H Magnetic Clutches are made in a wide range of sizes. Consult a Cutler-Hammer engineer.



Stop it

When machine performance calls for quick stops, it's a job for Cutler-Hammer Magnetic Brakes. The action is smoothly cushioned *magnetically*, operation is positive and absolutely dependable, control by push button or any automatic contact arrangement. Passenger and freight elevators, huge traveling cranes are typical applications of Cutler-Hammer Magnetic Brakes. Do you have a "stop" problem? Let Cutler-Hammer work with you on its solution.

BY THE BUILDERS OF

CUTLER-HAMMER

MOTOR CONTROL

C-H

Leaders in the March of Business



A. L. Freedlander



E. F. Jeffe, third from left



H. A. Batten



T. B. Wilson



Thomas C. Dennehy, Jr.
Frank C. Thomas

E. F. JEFFE, vice president of the Consolidated Edison Company of New York, Inc., who carried through a sales campaign in the last four months of 1938 that resulted in sales of $5,642,921 worth of electrical appliances and bulbs. The campaign was responsible for the addition of 9,525 employees to manufacturers' pay rolls. This month he will inaugurate a new campaign on automatic refrigerators which will include a $350,000 advertising expenditure.

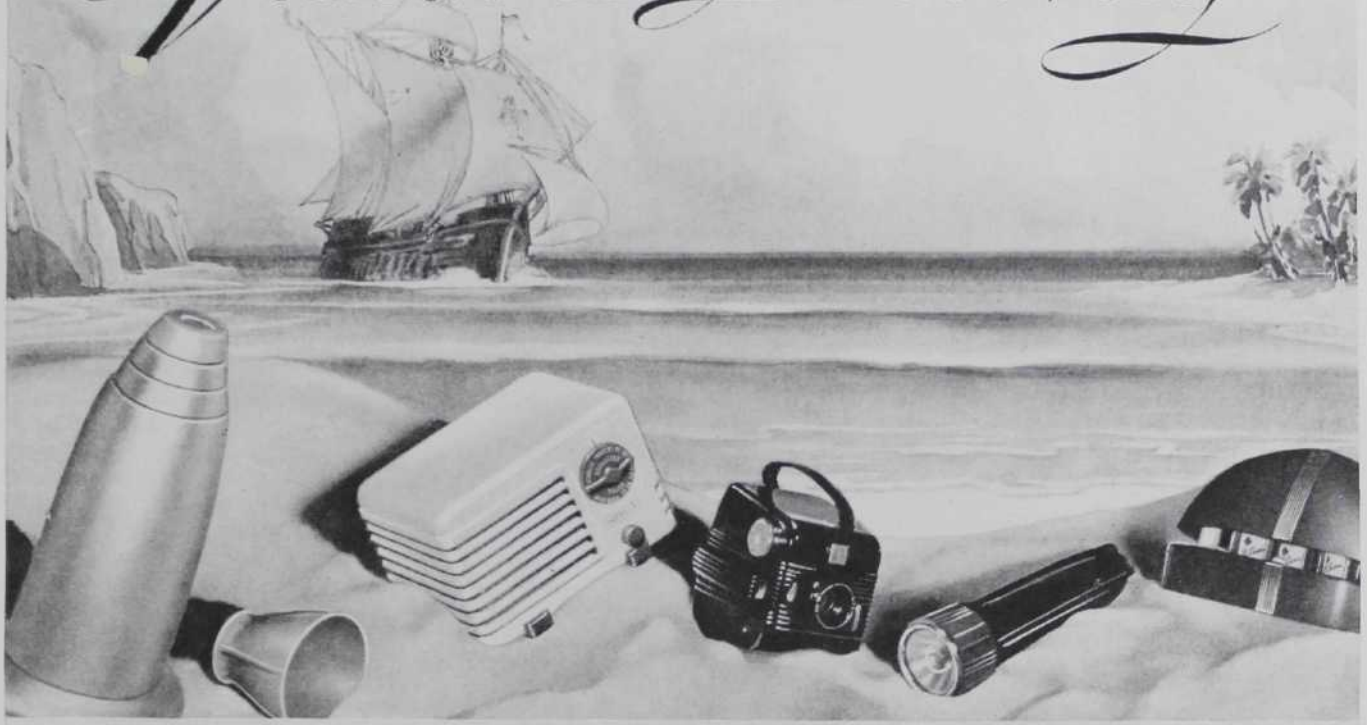
A. L. Freedlander, president, The Dayton Rubber Manufacturing Company, who reported that his company's improved earnings in the 1938 fiscal year were due to diversification of products. Twenty-nine per cent of the sales volume was of products not even produced ten years ago. He also announced his company's intention to provide a "management incentive plan" for executives.

H. A. Batten, president, N. W. Ayer & Son, who announced that his advertising agency had established a Foundation for Consumer Analysis "to study the consumer better . . . to make a scientific approach to the problems of distribution." Dr. Donald A. Laird will direct the Foundation staff.

T. B. Wilson of San Francisco, formerly general manager of the Alaskan Steamship Co., was named chairman and director of Transcontinental & Western Air, Inc., as the first step in the company's program of strengthening its directorate by adding transportation men from sections of the country in which TWA operates.

Thomas C. Dennehy, Jr., who heads the merger of Sprague, Warner & Co. and Samuel Kunin & Sons, Inc., two of the oldest wholesale grocery concerns in the Chicago area. The merger brought together two firms doing a combined annual business of approximately $20,000,000. Mr. Dennehy, Jr., was formerly executive vice president of Sprague Warner.

Send your product designer on this VOYAGE OF DISCOVERY



GEM-LIKE COLOR translucency, moisture-resistance! Carafe cup and trim of Bakelite Polystyrene molding material.

RICHNESS OF IVORY at mass-production costs! One-piece radio housing formed from Bakelite Urea molding material.

SIMPLIFIED DESIGN and improved style! Two important contributions of Phenolic Bakelite Molded to this camera.

STYLE, DURABILITY and production short-cuts are gained by producing this flashlight housing from Bakelite Molded.

DISTINCTIVE DESIGN ...economical production! Manicure set container made in two press operations from Bakelite material.

. . . He'll get new inspiration from these remarkable Bakelite plastic materials that put new sales punch in products, cut production costs and win new markets

NEW SALES-WINNING USES of color in product styling . . . greater durability or improved operating efficiency in your products or equipment... new low costs in producing quality merchandise! These are only three of the valuable opportunities that you may discover in the amazing variety of materials at Bakelite Plastics Headquarters.

And these are *proved* opportunities! Our files are literally bulging with case histories of production savings and sales increases. Here are merely a few:

1. Use of Bakelite Molded in 1937 Hoover Vacuum Cleaners proved so profitable that this material was widely used in 1938 and 1939 model Hoovers.
2. Success of Bakelite resin varnishes as aluminum paint vehicles has caused their inclusion in government and important industrial specifications.
3. Bakelite Molded packages proved to be such stimulants to the sales of Hickok Belts that they have been employed each year since 1931.
4. Use of Bakelite Molded enabled makers of the 1936 Argus camera to sell this quality "candid" for only $12.50. Its sensational success led to the new 1938 Argus, also of Bakelite Molded.

It will pay you to know the basic features of the many types of Bakelite plastics that may lead to profitable improvements in your own operations. Write for illustrated non-technical booklet No. 27, "New Paths to Profits."

BAKELITE CORPORATION
247 PARK AVENUE, NEW YORK

Visit the Bakelite Exhibit, Hall of Industrial Science, New York World's Fair 1939

BAKELITE

PLASTICS HEADQUARTERS



Get this illuminating booklet!

Here's a quick-reading, non-technical booklet that gives the busy executive a clear picture of Bakelite plastic materials and their benefits for his business. 24 pages, profusely illustrated. It explains the many types...shows how they are revolutionizing product design to increase sales, cut production costs.

Your product-designer, too, will find useful information in this booklet. Write *today* for your copy of "New Paths to Profits", and give names of others in your company who should receive copies.

To Form a More Perfect Union

By HENRY W. TOLL



COOPERATION between the states helps solve interstate problems and may yet save us from an overwhelming federal bureaucracy

THE 48 states are cooperating, in a new spirit of mutual helpfulness, to solve their common problems. The organization that is making this possible is the recently created Council of State Governments.

"One for all—and all for one!"

That is the ideal toward which this organization is working. Through its methods and projects, the states are learning and practicing teamwork with each other and the federal Government. The "more perfect union" of which the Founding Fathers dreamed is being attained.

The Council of State Governments is made up of officials of the state governments.

The Council is determined to find the answer to the most important and most difficult governmental problem in America:

What can be done to obtain a reasonably coherent, harmonious government in this country, without scrapping either the states or the valuable features of their accompanying structure of local government?

That's a big task, but the Council has already begun to prove that much can be done on it. The organization began October 22, 1933. Four years ago it had five states as members; two years ago the count was 13; 1938 brought an increase to 37, and next summer will probably find all 48 as members.

The need for closer cooperation among the states is all too apparent. These 48 commonwealths too long treated one another as though they were separate nations—but with no diplomatic services or ministers of foreign affairs. Modern transportation cuts across state lines. So do floods, polluted streams, dissipated natural resources, crime, unemployed transients, conflicting taxes—and other questions.

Typical of the problems which the Council is attempting to solve are these:

The Delaware River flows through a thickly populated area, traversing New York, New Jersey, Pennsylvania and Delaware. When the waters of that river are polluted, the health of millions is threatened.

Cooperation is difficult

A GANGSTER escapes from an Ohio prison, steals a Michigan car, dashes into Pennsylvania and New Jersey, commits various crimes until caught while robbing a store in New York. Crime knows no state boundaries.

Oil producers in Oklahoma, Kansas, Texas and New Mexico face the problem of overproduction. The prices for crude oil crash. With unrestrained production, there'll soon be a shortage of this great natural resource. Yet Kansas can't legislate for Oklahoma, nor Texas for New Mexico.

The citizens of California and Arizona engage in an economic war. Each state passes laws "quarantining" against products of the other, and inspectors stop all cars, busses and trucks to see that persons crossing the state line carry no "foreign" fruit! Yet the Constitution expressly forbids "tariffs" upon interstate commerce, and certainly contemplates a free exchange of goods from one state to another.

These are merely samples of scores of problems that have arisen between the states.

The founders of our country arranged for a division of governmental authority, delegating to the federal Government certain broad national powers—such as national defense and control of interstate commerce. They reserved for the states all other powers. For about 100 years the arrangement worked satisfactorily. Then, with industrial development, came problems which cannot be solved by any one state and yet are not in the province of the federal Government.

There are a few who advocate solution by centralizing all powers in the federal Government.

Do we want that? Practically all of us would answer "No!" We Americans prefer to retain our division of powers. I have formulated a general principle, to which I believe almost all competent students of government who believe in the democratic ideal will subscribe:

Every function of government should be performed by the most localized unit which is able to perform it effectively.

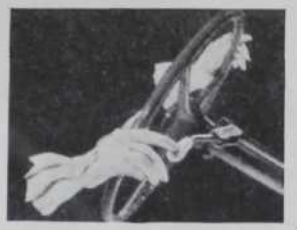
What the states can do adequately the federal Government should leave to them. What the counties and cities can do adequately the states should leave to them.

But we should not battle to retain powers for the states unless we keep

PERFECTED VACUUM GEARSHIFT

Vacuum Booster Supplies 80% of the Shifting Effort

Available on all models at slight extra cost. Exclusive to Chevrolet in its price range.





NEW AERO-STREAM STYLING
NEW BODIES BY FISHER

The smartest design for '39.



NEW LONGER RIDING-BASE

Giving the *ride-results* of cars several inches longer in actual dimensions!

PERFECTED HYDRAULIC BRAKES

Chevrolet's famous Perfected Hydraulic Brakes, plus new Trigger-Control Emergency Brake, mean *double safety* for your family!





CHEVROLET'S FAMOUS VALVE-IN-HEAD SIX

Here is the engine without an equal in the low-price field. Bringing you an unmatched combination of power, acceleration, economy and dependability.



NEW "OBSERVATION CAR" VISIBILITY

Chevrolet's wider windshield—large squared windows—and large, legible speedometer figures—give super-safe visibility outside and in!

PERFECTED KNEE-ACTION RIDING SYSTEM

Ride in a new Chevrolet for 1939 and experience the unmatched comfort and safety of its Perfected Knee-Action Riding System! Knee-Action available on Master De Luxe models only.





TIPTOE-MATIC CLUTCH

The greatest clutch advancement in years—exclusive to Chevrolet in its price range—operating with a minimum of pedal pressure—adding still further to Chevrolet driving ease!



FEATURES! FEATURES!
Who's Got All These FEATURES?
None But
CHEVROLET!

Again this year, Chevrolet's unequaled ability to *improve quality and value while lowering the cost to the buyer* makes the new Chevrolet the logical choice of people who want to get the most motor car for their money. Higher quality, lower prices . . . that's what you want . . . and that's what you get in the new 1939 Chevrolet, to an unprecedented degree! Only Chevrolet gives so much for so little . . . *so much quality for so little money* . . . and that's why "Chevrolet's The Choice!"

HIGHEST QUALITY . . . LOWEST PRICES

CHEVROLET



Master De Luxe Sport Sedan

THAT'S WHY "CHEVROLET'S THE CHOICE!"

CHEVROLET MOTOR DIVISION, *General Motors Sales Corporation*, DETROIT, MICH.

General Motors Instalment Plan—Convenient, Economical Monthly Payments.

A General Motors Value.

the states capable of exercising those powers adequately. Mutual understanding, harmonious effort and cooperative action offer the answer. They promise a better functioning of our democracy. And that is the great purpose of the Council of State Governments.

I have been asked to review briefly how this organization came into being. As a member of the State Senate of Colorado, I felt the need for closer cooperation between my state and neighbor states. I wrote to each of my fellow members of state legislatures—7,500 of them—and proposed that all who were sufficiently interested should get together and pool our efforts by organizing an American Legislators' Association. That was in 1925. The response was not encouraging. But a somewhat blind persistence was finally rewarded. The first meetings of this group were sparsely attended but, little by little, the legislators of various states awakened to the need for some sort of clearing house for research and information. Gradually they came to feel the importance of a plan to unify and harmonize their law-making efforts. In 1930 the Spelman Fund of New York, sensing the possibilities in the project, underwrote it with an annual grant.

By 1933 a group of about 100 men —legislators from 31 states, accompanied by administrative officials, were interested enough to meet in Washington and discuss their mutual problems in our first nationwide General Assembly. Governor John G. Winant of New Hampshire served as chairman. The subject which seemed most pressing at that time was taxation. Business men were demanding that something be done about overlapping and conflicting state and federal taxes. The legislators set up a permanent Commission on Conflicting Taxation, with Senator Seabury Mastick, chairman of New York State's Commission on revision of the tax laws, as its chairman.

Meanwhile, the idea was expanding. Why not an organization that would include administrative officials? The American Legislators' Association approved the plan. Each state was asked to appoint a Commission on Interstate Cooperation, composed of 15 members, five from the Senate, five from the House of Representatives and five state officials selected by the governor. In each state this commission is established by a law which instructs it "to carry forward the participation of the state as a member of the Council of State Governments," and to deal with commissions of other states.

When the legislators met again in February, 1935, plans for the extensive development of the two-year-old Council were discussed and in March, New Jersey established the first of these commissions. Colorado was next. Other states swung into line.



"Migawd—a summons!!"

Governor Paul V. McNutt of Indiana, Alf M. Landon of Kansas, Leslie A. Miller of Wyoming and David Sholtz of Florida became members of the Council's board of managers. Systematic cooperation between the states became a reality.

Many officials cooperate

HUNDREDS of legislators and administrative officials are now enlisted in this undertaking as members of their respective commissions. They are finding that they must grapple with two types of activities: Cooperation between the states as to current administrative matters, and cooperation in long-range planning. They are learning the need for careful research to ascertain the facts as to governmental problems, for reaching agreements among the states, for placing these agreements in definite form, and developing agencies to carry them out. The Council of State Governments provides the complete vehicle for doing these things.

An Interlevel Commission has been provided, made up of federal, state and local government officials. And a Tax Revision Council, with Chairman Robert L. Doughton of the national House of Representatives Committee on Ways and Means as head.

To place their agreements in definite form these agencies are using various plans, including the two time-honored methods: Compacts among the states, and uniform laws.

A tremendous amount of work has gone into the preliminary functioning of the Council. The Commission on Conflicting Taxation, for example, assisted by experts in many states, surveyed the whole system of taxes. They have outlined many of the reasons why taxation has become such an enormous problem. The federal Government has levied duties on imports, while real property has traditionally been taxed by the states. But such sharp divisions in the taxing field are few. Many excise and occupational taxes are levied by both state and local units. There are duplications and triplications of taxes on liquor and beer, on incomes and inheritances. There are conflicts in sales taxes, gasoline taxes, license taxes, personal property taxes. The Commission declares:

> The states and the federal Government should at once confer to decide what fields of taxation each should enter. Certain tax fields should be segregated for the states, others reserved for the federal Government and others shared.

The federal Government should utilize this carefully devised and well developed machinery of cooperation, rather than act independently.

Among the recommendations of the

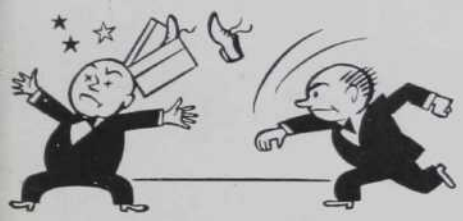
(Continued on page 79)

From the Watchtower . . .

Glimpses at the World of Marketing

Amicable Adjustment

THE RETURNED goods evil reached such a point in the shoe trade that the New England Shoe and Leather Association is trying to correct it by a Customer Adjustment Bureau to arbitrate disputes between manufacturer and retailer. It is an old problem aggravated by the rapidly changing fashions in footwear. When part of a stock fails to move as expected retailers sometimes simply box the shoes up and return them to the vendor. Since they probably have depreciated considerably, the manufacturer objects to accepting



such returns. But if he refuses the dealer then utters his memorable last word: "No more orders from us."

To adjust these arguments amicably the manufacturer and the retailer each names a representative and these two agree on a neutral chairman to be selected from a panel chosen by the Association. The three then decide on the merits of the case.

The popular priced dress industry in cooperation with the National Retail Dry Goods Association set up similar arbitration machinery in New York in 1937. Return losses are so important in dresses, which have an average life of only seven weeks in dealers' stocks, that excessive acceptance of returns by manufacturers from their dealers is recognized in trade practice agreements as a form of price discrimination. This ban has the force of law under the Robinson-Patman Act, with both buyer and seller made responsible.

Record Merger

THE COLUMBIA Broadcasting System, lusty offspring of Columbia Phonograph Co., has purchased its parent concern along with the American Record Corporation, into which the old Columbia Phonograph had been merged. Taking in as it does Brunswick, Vocalion, Masterwork and other records as well as Columbia, this makes C.B.S. a rival of R.C.A., owner of the National Broadcasting Co. and Victor, in the record field as well as in broadcasting.

Sales of phonograph records reacned 32,000,000 last year and predictions say will exceed 40,000,000 this year. The almost universal custom of radio listening, supplemented by technical advances in radio-phonograph combinations and attachments, has greatly stimulated the vogue for recorded music.

Banter and Badinage

DOUGLAS CORRIGAN maintains his reputation as the eccentric Irishman who always does the unexpected. First, he flew East to reach Los Angeles. Second, he told a roomful of reporters that although a worker he had no use for labor unions. Third, he has refused $20,000 to endorse a hair tonic—for the curious reason that he doesn't use the stuff.

THE NATIONAL Association of Bedding Manufacturers will undertake the job of teaching Americans that they ought to change their mattresses once in a while. One-third of our time we use them—and yet, says the Association, 20 per cent of mattresses in homes are 16 years or more old, and 32 per cent of pillows have been used for as much as a quarter of a century. One of the themes suggested is that pillow fighting be promoted as a good clean sport for young America.

PAPER bed sheets are now purchasable, guaranteed to last four nights—that is, for adults.

EAGER to supply Vice President Marshall's great American need, Bayuk Cigars, Inc., reduced the price on its leading brand, "Phillies," from ten cents to five cents. The same quality was maintained.



Results, according to Bayuk: "A good year in 1938, with profits for the first eight months up 25 per cent."

HELEN WOODWARD in "It's An Art" chides and praises advertising. She laughs with a slightly impious relish at the Mae West Adam and Eve incident, in which it will be remembered Mae was lambasted by radio fans for her burlesque. Among the letters of protest several hundred were addressed to a rival of the coffee firm sponsoring the broadcast. They knew that coffee was being advertised, but not which brand.

THE INDEPENDENT Food Distributors Council is trying through its 153,000 food retailers to diminish the dry bean surplus of more than 400,000 bags from the 1938 crop. White beans are favorites in the North and colored beans in the South. Grocers hope to induce consumers in both sections to cross the bean color line.

A. C. NEILSEN, New York marketing expert, recently told a gathering of grocery manufacturers that manufacturers as a whole make right decisions on merchandising matters only 58 per cent of the time. Which is slightly better than they could do by tossing a coin.

Spring Song

PIANO manufacturers plan to turn youth's fancy to music in the spring. They believe that with the right promotion it can be made into another piano-buying season and thus erase an annual dip in their sales. Last year sales exceeded 90,000 units, and 1939 is expected to top the 1937 peak of 106,000. The low-cost small size now accounts for 65 per cent of the business. Instead of the old appeal to emulate the masters, buyers are being



sold on owning a piano just for the fun of playing it.

A NEW musical instrument known as the Tonette and resembling somewhat the ocarina is said to be gaining great popularity. It sells for a dollar and the makers claim it can be learned in an hour. The Chicago Musical Instrument Company finds its principal problem is one of convincing the public that the Tonette is not a toy.

Aspirin on Installments

IN NEW ORLEANS the American Drug Stores have been selling price-fixed items on installments. Hiram Walker whiskey ($1.05 a pint) was advertised at 83 cents down and 11 cents a week for two weeks. The 39-cent tube of Ipana toothpaste was sold at 29 cents and five cents a week on the balance, Bayer's aspirin 59-cent package at 44 cents down and five cents for three weeks. Competitors said it was a dodge to beat "fair trade" control, intimated no efforts were made to collect the unpaid balances. While the policy was soon modified, it attracted attention dramatically to the American chain's objections to retail price maintenance.

—FRED DEARMOND

Does the public imagine



YOUR COMPANY IS MAKING TOO MUCH PROFIT?

NOT LONG AGO, 4,051 people all over the country were asked this question:

"What companies do you think of as *high profit makers?*"

A disturbing fact emerges from their answers. In many cases what the public *imagined*—and the actual *truth*—were two different things.

Mistaken notions, injurious to business, are revealed whenever the public is quizzed about what companies make too much profit, or which serve the public best by their labor policies or their research work.

How the public *feels* toward a company influences millions of sales every day.

Certain manufacturers, who realize this, advertise not only their individual products but also take the public behind the scenes and show them what goes on in the laboratory, what social implications there are in the labor policies or research activities. And the public sees extra values in their products, added reasons for buying.

Again, manufacturers of raw materials—who sell nothing direct to the public—often think they have nothing to *say* to the public. Then one day they discover that the public has a distorted, or even hostile picture of their business. Another situation that "public-relations advertising" can help correct.

To gain friends for *companies*, as well as for products, business last year invested almost as many dollars in The Saturday Evening Post as in all other magazines combined.

Are you keeping a human, intimate picture of *your* business in front of the people who mold opinion in America?

THE SATURDAY EVENING POST

MORE THAN 3,000,000 COPIES WEEKLY . . . ALL BOUGHT AT FULL PRICE

Business Men Say . . .



W. H. Jasspon (right)



G. N. Stieff



Orval W. Adams



Major Benjamin H. Namm

W. H. JASSPON, President, Perkins Oil Company and Memphis Chamber of Commerce

"It is dodging the issue for us to say that 'it cannot happen here.' An immediate example is the present plight of a great Democracy —France—a nation of individual capitalists and landowners, who nevertheless went 'modern' in recent years. They inaugurated the short work week. The country was forced into unsound financial and trade practices and huge military expenditures. All of this resulted in intolerably burdensome taxes. Now in an urgent attempt to meet reality rather than popular acclaim, and to salvage the private property system, they find it necessary also to drift toward rigid autocratic control."

G. N. STIEFF, President The Stieff Company, Baltimore, Md.

"Fair price maintenance is vital to all business. . . . The manufacturer does not control competition so long as other manufacturers make the same or similar merchandise. The Miller-Tydings law does not control competition—it merely helps the industry from losing a legitimate profit for which the thinking consumer is more than willing to pay."

ORVAL W. ADAMS, Executive Vice President, Utah State National Bank. Former President, American Bankers Association

"We must make our depositors realize that without their cooperation we can do little to preserve the value of their savings. The only source of revenue a government has is taxes and taxes must come from surpluses, earnings, or from capital of individuals. As the expenditures of government increase, taxes must increase. If current earnings from business and individuals are insufficient to meet the demands of government, the reserves, surpluses and savings will be taken from the people. We must realize that ultimately the capital itself will be demanded; that what is taken for taxes is not available for private use, and that when the demands of government become too great production is starved, and the strength of the nation is destroyed."

MAJOR BENJAMIN H. NAMM, President The Namm Store, Brooklyn, N. Y.

"Over 700 bills were introduced in Congress affecting retail distribution in the past year. This more than doubled the number of bills that were introduced to curb out-and-out crime. . . . Then there was the constant stream of questionnaires and report forms. These reached the staggering total of 135,000,000 forms, about 100,000,000 of which were replied to by individuals and business concerns. Many employers were called upon four separate times to report the individual earnings of a substantial number of their employees. In some lines of business, a concern's total pay roll had to be reported on 12 different federal forms."



ADDRESSOGRAPH METHODS MEAN NO ADMITTANCE TO COSTLY HAZARDS IN EVERY OFFICE



WHAT business doesn't present a scene loaded with paper work—name and data records (that must be copied) for current operations and reports. And this ever-increasing work should be done in regular hours from day to day.

Error, Waste and Delay are the villains that threaten efficiency and profit.

Addressograph Methods come to the rescue wherever names, with addresses or other information, are copied on forms, records, reports or communications. With one motion, Addressograph reproduces a complete record. Imprinting, through a ribbon, equals best typewriting—carbons if desired. *Certified accuracy* eliminates time-consuming checking.

Find out how easily and economically these protective features can be applied to your business. The Addressograph man near you will be glad to explain. You'll find ADDRESSOGRAPH SALES AGENCY listed in principal city telephone books. If you prefer, write to us at the address below for complete information.

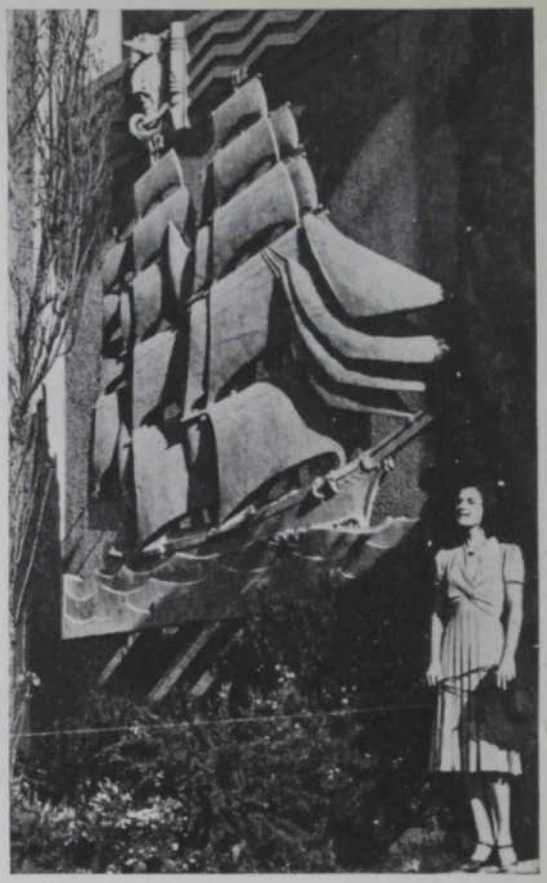
Addressograph
Trade Mark Registered in the United States Patent Office

ADDRESSOGRAPH-MULTIGRAPH CORPORATION, *Cleveland, Ohio*

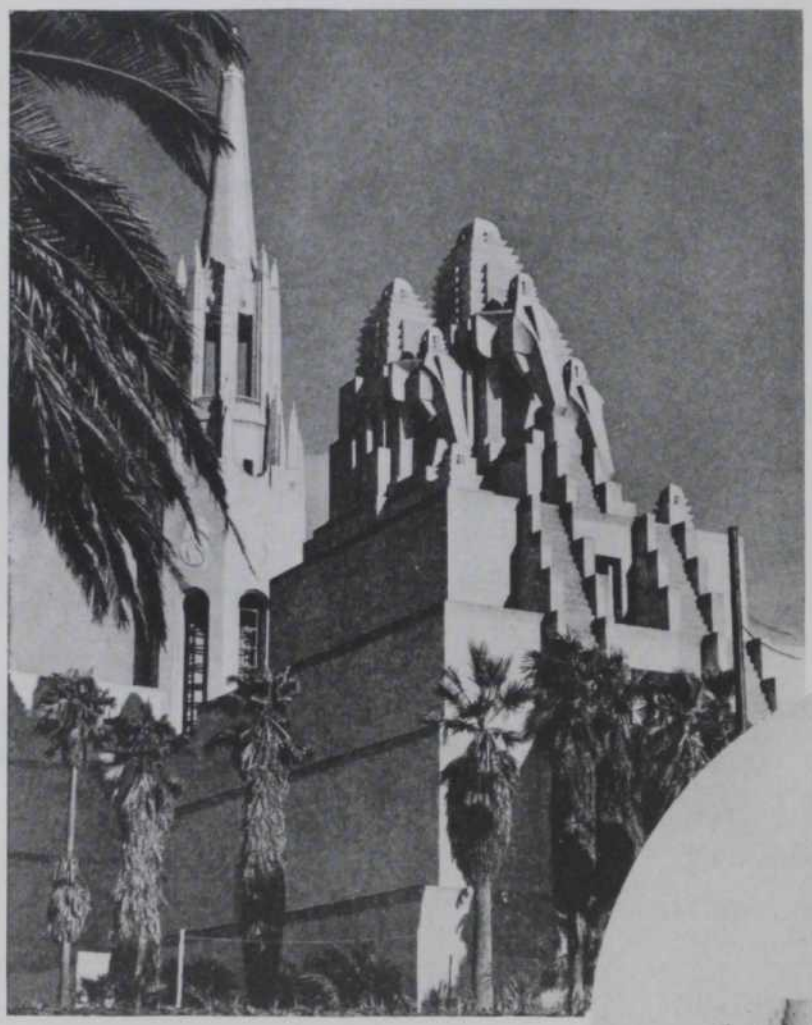
ADDRESSOGRAPH-MULTIGRAPH OF CANADA, Ltd., TORONTO

Sales Agencies in Principal Cities

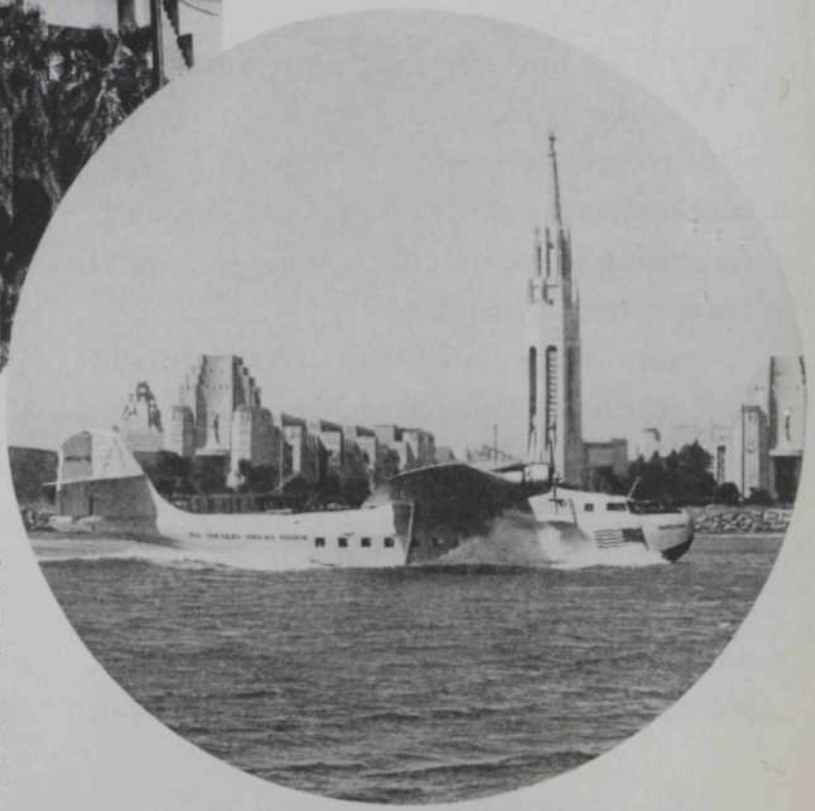
Golden Gate Exposition Glorifies Travel Industry



A sculptured ship decorates a wall near the Court of the Seven Seas



Elephant Towers flank the main entrance. Tower of the Sun in background



The Philippine Clipper will base at the exposition grounds. Overhaul will be made behind glass panels in full view of visitors

VACATIONS, travel, "culture"—beauty and leisure—are emphasized at the Golden Gate International Exposition which opened February 18. They are presented there in a glittering panorama calculated to tickle the urge for play, relaxation and mild adventure.

The grimy hand of industry that played a large part in making the exposition possible is hidden by flowing symphonies of artificial color and a $1,500,000 horticultural display that includes plants native to every Pacific nation.

The 400-acre site—Treasure Island in the center of San Francisco Bay—is the largest island ever built by man. Its origin dates back to a survey conducted by the San Francisco Junior Chamber of Commerce to determine a satisfactory airport location. Beside Treasure Island stands the $80,000,000 San Francisco-Oakland Bay bridge and the $33,000,000 Golden Gate bridge. As

"I GET 1100 MILES OF FORD ECONOMY EVERY WEEK"



Eleven hundred miles at high speeds every week in the year. That's what his newspaper route means to Frank Stewart, of Eldora, Iowa. And Mr. Stewart depends on the rugged dependability of the Ford V-8 Commercial Car, because the news must get through.

"I drove my 1933 Ford Sedan Delivery 116,000 miles," he writes. "My 1936 Ford V-8 Sedan Delivery traveled 108,000 miles, and the motor expense on this unit, beyond regular servicing, was less than $20. This was for the installation of a set of rings at 72,000 miles.

"I now have a 1938 Ford V-8 Pick-Up and am greatly impressed by the ease of handling, smoothness of operation, the new, enlarged cab and the roominess of the box."

The Ford V-8 Commercial Car gives quality performance because it's quality built. Part for part, the Ford Motor Company insists on the finest in materials and engineering. The purpose: to achieve real economy. That means — delivering loads faster . . . covering more miles per day . . . at reduced operating and maintenance costs.

See the 1939 Ford V-8 Commercial Car at your dealer's. Study it feature for feature. Arrange for an actual "on-the-job" test. See what the Ford V-8 offers before you spend another commercial car dollar.

FORD MOTOR COMPANY, BUILDERS OF FORD V-8 AND MERCURY CARS, FORD TRUCKS, COMMERCIAL CARS, STATION WAGONS AND TRANSIT BUSES



HIGHLIGHTS OF 1939 FORD V-8 COMMERCIAL CARS

IMPROVED 85 and 60 HORSEPOWER V-8 ENGINES — 85 horsepower for unusual speed and acceleration. "60" for unusual economy combined with top performance.

NEW, SAFE HYDRAULIC BRAKES — Four-wheel hydraulic service brakes, built to Ford standards of safety, are now regular equipment on all Ford V-8 Commercial Cars.

• Straddle-mounted driving pinion. • Worm and roller steering. Easier, more dependable handling. • New-type piston rings for improved oil economy. • Ford Engine and Parts Exchange Plan to save time and money. • Three-quarter floating rear axle. • Rugged double-drop-type frame with strong X-member reinforcement. • Safety and comfort of all-steel cabs, insulated, ventilated and with Safety Glass throughout.

1939 FORD V-8 COMMERCIAL CARS

if to further symbolize the power of man to build for necessity or convenience, another bridge "drones" overhead as Clipper Ships, just in from China or the Philippines, fly in and discharge their passengers on the exposition grounds.

This Western World's Fair, sponsored by 11 Pacific Coast and Rocky Mountain states, will give due recognition to technical progress and industrial activity in all fields, but the primary motive is to show how industry has forged a magic chain uniting all the vacationland resources of the entire Pacific basin—how industry in the form of electricity and modern transportation has increased the time for leisure and added to the possibility of enjoying it. A road to pleasure via travel will be pointed out to visitors no matter what their inclination. They can do a Gayway Gallop in the streets of various foreign cities that will be reproduced at the fair, or they can actually embark from the fair grounds on an airplane bound for the Philippine Islands.

A directory of recreation

THE recreational theme will be brought to a climax in Vacationland Palace, a building unique in world's fair history. A million square miles of western lands will be represented in a building which covers more than four square acres. It is a new kind of pictorial directory telling where to go and how to get there. Motor manufacturers and clubs, railroads, travel bureaus, petroleum companies, manufacturers of sportswear and outing goods, and other industries allied with the "urge to be elsewhere" will take part in this exhibit. Miniature railroad systems; winter sports in Idaho; what gasoline has done to promote travel; replicas of travel spots, are only a few of the lures that will be used to impress visitors with the ease and pleasure of more and more travel.

The island itself will continue to stand as a monument to the travel industry after the fair is concluded when it will be converted into an airport. The $900,000 reinforced concrete administration building will be used as a permanent air terminal and two other buildings will be transformed into gigantic hangars. While the fair is in progress, Pan American Airways will set up its complete Trans-Pacific base on Treasure Island and terminal overhaul of Clipper Ships will be made behind glass panels in view of all visitors.

Further encouragement to travel in the region between Alaska and Cape Horn as well as friendly exchange of viewpoint among nations will be the purpose of the unprecedented Inter-

(Continued on page 75)



ROBERTS & ROBERTS

Treasure Island in the background. Motorists will drive to it via the San Francisco-Oakland Bay Bridge

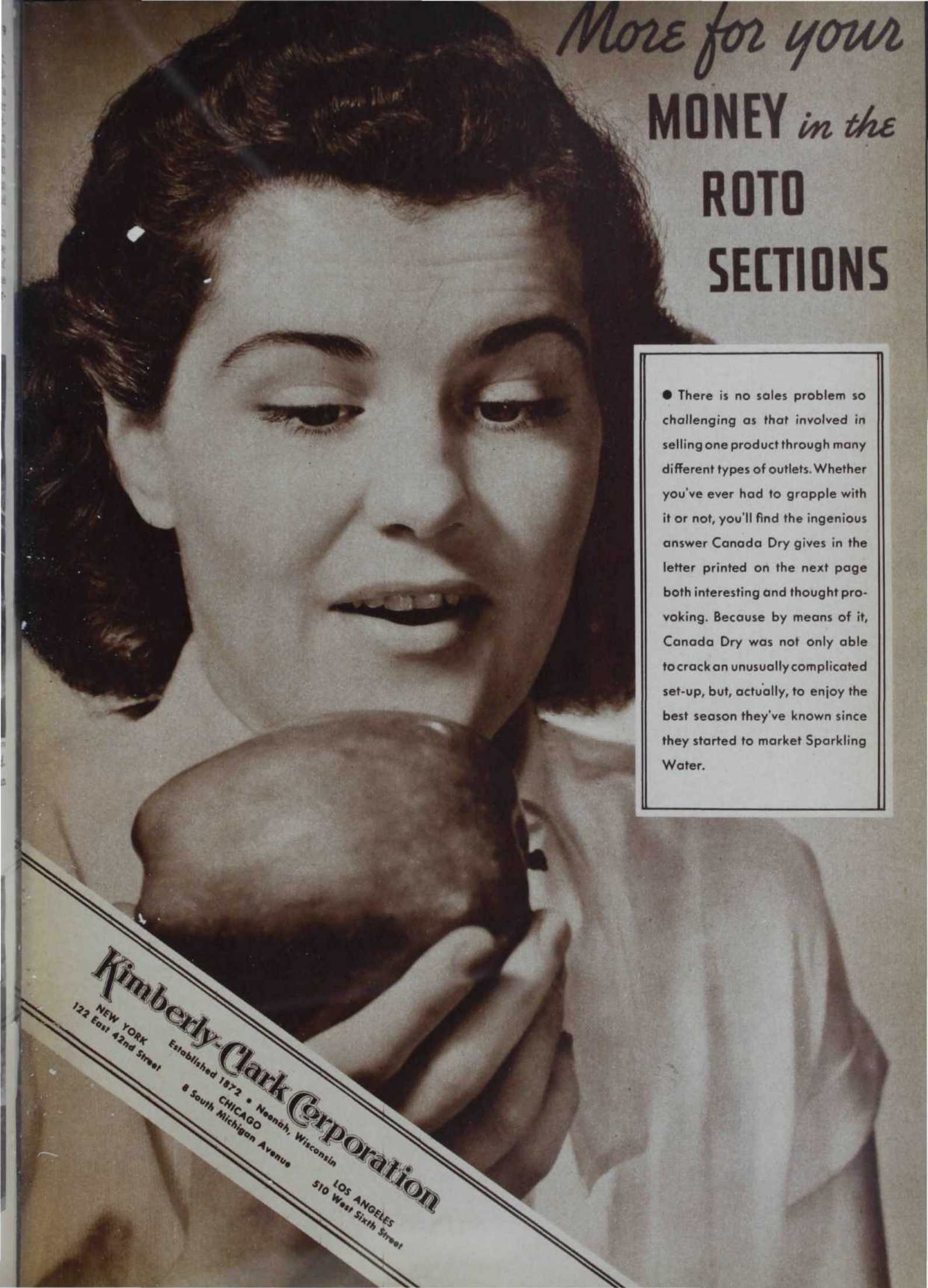


FRED MAC AERO PHOTOS

Aerial view shows greater part of exposition grounds. Tower of the Sun is central building



Plants from all Pacific basin countries are used for decorative purposes


More for your
MONEY in the
ROTO
SECTIONS
● There is no sales problem so challenging as that involved in selling one product through many different types of outlets. Whether you've ever had to grapple with it or not, you'll find the ingenious answer Canada Dry gives in the letter printed on the next page both interesting and thought provoking. Because by means of it, Canada Dry was not only able to crack an unusually complicated set-up, but, actually, to enjoy the best season they've known since they started to market Sparkling Water.
Kimberly-Clark Corporation
Established 1872 • Neenah, Wisconsin
NEW YORK
122 East 42nd Street
CHICAGO
8 South Michigan Avenue
LOS ANGELES
510 West Sixth Street

ROTOGRAVURE

helped to lift CANADA DRY to an all-time *Sales Peak*



This sign means *added Enjoyment.* for you

Canada Dry Water makes fresher, better-tasting long, tall drinks because it d *its sparkle.* That's why leading hotels, clubs and restaurants ... anxious to pl you ... serve Canada Dry Water as a sign of thoughtful service.

Serve Canada Dry Water at home. Prove for yourself that it's extra live! leaving an opened bottle in a refrigerator. It will keep its "Champagne" Sp for more than twenty-four hours. There's a reason for the bubbling zest of Ca Dry Water. It's a special Canada Dry process called FIN-POINT CARBONA

Sparkling CANADA DRY WATI
The perfect Club Soda



A typical Canada Dry rotogravure advertisement.



MADE IN U.S.A. FROM THE ORIGINAL FORMULA

CANADA DRY GINGER ALE, INCORPORATED

Manufacturers of the famous
"CANADA DRY"
The Champagne of Ginger Ales

100 EAST FORTY-SECOND STREET
NEW YORK CITY

September
22nd 1938

Kimberly-Clark Corporation
8 South Michigan Avenue
Chicago, Illinois

Gentlemen:

Rotogravure was a major medium in our Spring and Summer advertising campaign for Sparkling Canada Dry Water. We used half-pages and full pages in Rotogravure in the principal markets of the country, and to Rotogravure must go part of the credit for the sales increase which pushed Canada Dry Water to the highest sales peak since this club soda was introduced.

Our Spring and Summer campaign had a dual purpose — to increase purchases through retail stores and to spur sales through "on premise" consumer outlets such as hotels, clubs and restaurants. For the latter purpose we prepared an emblem reading: "The Sign of a Better Drink — We Serve Sparkling Canada Dry Water — A Sign of Our Thoughtful Service." Special bar signs, menu stickers and table signs carried this emblem, which was reproduced in our advertisements with the statement, "Whenever you find this emblem in hotels, clubs or restaurants, it's the sign of a better drink." This direct tie-in produced a gratifying increase in the number of outlets serving Canada Dry Water exclusively, and resulted in introducing the product to new consumers.

So pleased were we with the part Rotogravure played in this successful campaign that we are planning to continue with Rotogravure this Fall.

Yours very truly,

CANADA DRY GINGER ALE, INC.

W. S. BROWN
Advertising Manager

Kimberly-Clark Corporation

Established 1872 • Neenah, Wisconsin

NEW YORK
122 East 42nd Street

CHICAGO
8 South Michigan Avenue

LOS ANGELES
510 West Sixth Street

The Map of the Nation's Business

By FRANK GREENE



Business Conditions as of February 1 compared with the same month last year

JANUARY industrial activity was little changed from December. Automobile production was sustained at 40 per cent above 1938, with retail demand satisfactory. Electricity output widened its margin above last year and the machine tool and textile industries showed increased activity.

Steel operations lifted from the holiday low of 40, with railroad buying carrying the rate to 53½ per cent of ingot capacity at the end of the month. Rail earnings improved, with car loadings continuing above a year ago.

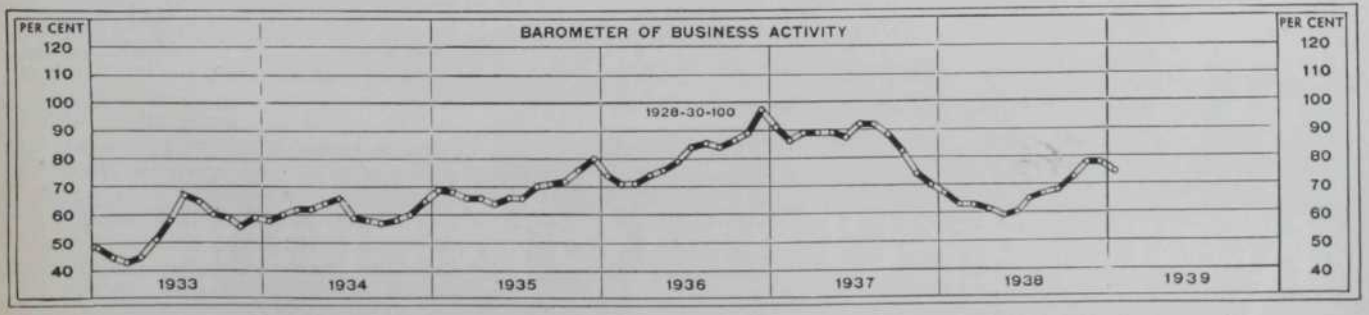
Foreign political unsettlement created uncertainty, reflected in lower security markets. Commodity price movements, though small, were generally lower. Improvement in residential building outlook and in engineering awards brightened the construction picture. Lumber production continued its gains over a year ago.

Wholesale buying was good but retail trade and department store sales were off slightly, due, in some sections, to stormy and cold weather.

The Map depicts the generally better conditions in many sections as compared with last year, due to the downward movement in progress at this time last year



The map of last month



Industrial production in January failed to register the customary seasonal advance, causing a moderate dip in the business activity chart line for that month

Factories Win Modern Wars

(Continued from page 19)

well-trained armies. The Christians had no organization except the feudal one by which each leader brought in his men to be grouped with those of other leaders of the same feudal rank. These in turn were grouped under the leader in the next higher grade of the hierarchy of feudalism. This loose grouping was continued until the top was reached—the king.

An army without strategy

THE individuals were brave, resolute and well trained in the use of their individual arms. They had little or no conception of tactics—that is, organized combat—and none of strategy.

A bullheaded charge straight at the enemy and, if that was not possible, a stubborn, desperate resistance in place, was all they knew.

The Mongol forces maneuvered over wide areas so as to arrive on the battlefield with the maximum advantage as to position. In battle they maneuvered in organized disciplined groups which first shot holes in the Christian ranks with arrows and then charged into these holes.

In the World War the idea was to use the great industries of Britain, France and the United States to produce tremendous quantities of munitions, much more than was possible for the Central Powers.

Then, with a sky black with planes, more guns than had been used in all the previous battles of history, and "shells as numerous as raindrops in a tropical storm" Germany was to be overwhelmed—crushed.

However, the long periods necessary for Britain and then the United States to change their industries from peace to war time needs was not the only factor which prevented this program from being realized.

The better training of the Germans more than compensated for much of the greater weight in munitions. In other words, with fewer guns firing fewer shells, Germany put up a resistance far beyond what could have been possible had results depended solely upon the ratio of the quantities of munitions produced by the Allies to those produced by Germany.

If we carry through the industrial mobilization provisions of our National Defense Act of 1920, particularly with reference to providing in time of peace the jigs, dies and tools of all kinds* necessary before we can begin manufacturing, we will have gone a long way in avoiding delay in the mass production of munitions if war unfortunately comes.

However, we will still be using our industry only as a supply department; a wonderfully efficient one, but still only a supply department.

There are two things we must do to use it as a weapon. The first is to be prepared to produce immediately large numbers of new types of weapons or new and later models of old weapons as rapidly as new inventions appear.

The second is to apply the "economy of force" principle to our manufacture of weapons in the same way that first class generals apply it to gain victory with man power. The demonstration Napoleon I gave of its use with man power not only gave him his victories but left him as the unequalled master of the "Art of War."

To illustrate the first let us take two examples, one from the Civil War in Spain and the other from the World War.

The first German pursuit planes sent to Spain, the Heinkle type, were found to be not quite as fast as the Governmental J.16 (Russian).

What did the Germans do?

They took advantage of their industrial preparation quickly to plan and manufacture the Messersmith, a type of pursuit plane far superior to the J.16. They promptly sent these to Spain with the result that they got mastery in the air in a comparatively short period.

Let us contrast this ability with the inability of industry in the Great War to equip the armies with new weapons.

A problem in manufacture

THE manufacture of the first tanks was a secret. A comparatively small number of them were made by the British and the French. The French did not want to use them until they had accumulated a large number. This would enable them, not only to surprise the Germans, but to take advantage of this surprise on a large front.

On the other hand, the British considered it advisable to strike with the number they had available even though they could cover but a small front. They felt that, if they waited until a large number could be produced, the Germans would have an opportunity to discover that a new weapon was soon to appear. This, of course, would rob the Allies of the value of surprise.

The highly successful attack of the British tanks at Cambrai proved the value of these new weapons. However, due to the small number of tanks used the victory had only a local effect.

When it was decided to build tanks, had the French and British industry

LE MARÉCHAL PÉTAIN

Paris le 13 Janvier 39

8, Boulevard des Invalides (7e)

La guerre moderne ne s'improvise pas, elle se prépare.

Certes, le vainqueur sera toujours celui qui tiendra un quart d'heure de plus.

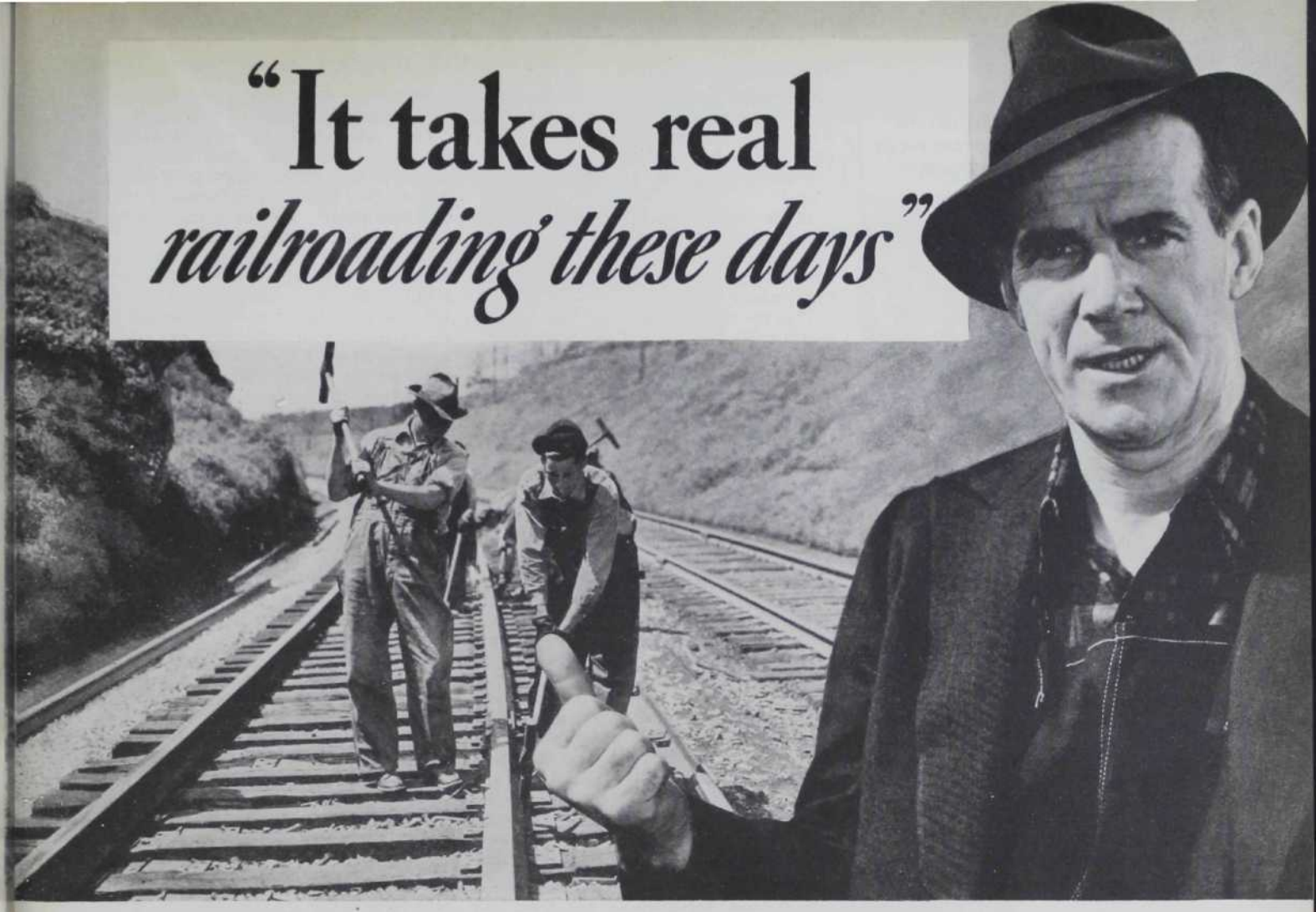
Mais ce quart d'heure n'est plus seulement celui que le combattant arrache à la fortune des armes sur le champ de bataille par sa ténacité ;c'est surtout désormais le temps gagné,dès le temps de paix, sur l'adversaire,grâce à un potentiel supérieur de production d'armes, de matériel, de munitions et de ravitaillement.Ce potentiel constitue,même par sa seule existence, un instrument capable de peser sur la politique de façon décisive.

Ph. Pétain

Marshal Petain declares that industrial organization in peace time is vital to a successful war. The translation is on page 59

*It was the time necessary to manufacture these which was primarily responsible for the delay in Britain's industrial mobilization and our own in the war of 1914-1918.

"It takes real *railroading these days"*



WHAT we men are doing here is called "maintenance of way."

You'll have to think twice to name any other kind of transportation that does that job for itself.

They tell me that more than thirty cents out of every dollar the railroads take in goes for maintenance, interest, taxes and other costs due to the fact that the railroads do build and maintain their own roadways—and that more than half of the total railroad investment is in roadway.

If other kinds of transportation that use "ways" built and maintained by the public had to pay the full cost of building and maintaining the "ways" they use, they couldn't even come close to furnishing their service for what the railroads charge.

That goes for the so-called "cheap transportation" by inland waterways. Almost without exception, the subsidy paid by taxpayers for each ton of freight moved on these rivers is as much as, and in most cases more than, the total cost of moving the same freight by rail.

The biggest part of the taxes paid by highway carriers goes to building and maintaining the roads they use—and they tell me that studies by a number of state highway departments show that these taxes do not cover the highway carriers' real share of road costs. Railroads pay more taxes per dollar of revenue than highway carriers do. And the big point is that railroad taxes are not used for building or maintaining their roadway—they go to meet general expenses of government.

That's why I say, "It takes real railroading these days." And the railroads are doing a real job.

When the railroads haul a ton a mile at an average revenue of one cent and pay all their own costs, they're doing a job that can't be beat by any other transportation system in the world, bar none.

And when they do a job like that—it seems to me that about all they need is a square deal in transportation.

FAIR PLAY— *NO FAVOR IN TRANSPORTATION*



ASSOCIATION OF
AMERICAN RAILROADS
WASHINGTON, D. C.



How to solve the problem of employee loans

When one of your employees suddenly needs extra cash for an emergency—a large doctor or hospital bill, for instance, he's likely to come to you for a loan. For his family's sake you want him to get the money. You know, moreover, that a man worried by money problems can't make the most of his job.

Where workers can borrow

Your company can hardly be expected to act as family banker to all your employees. Yet where are they to borrow? Banks require collateral which wage earners don't often own, or co-makers they can't readily get. And their friends have their own money problems.

To supply cash credit to those without bank credit is the job of Household Finance. From Household workers can borrow from $20 to $300 on a business basis. Loans are repaid in 10 to 20 monthly installments which average less than 7% of the borrowers' monthly income. Last year Household service helped more than 700,000 men and women.

More for their money

To borrowers Household also provides guidance in money management and better buymanship—shows them how to save on daily purchases and get more out of limited incomes. Wouldn't you like to know more about this family money service and how it can help your employees? The coupon will bring you further information without obligation.

See Household's interesting exhibit "Stretching Your Dollar" at the New York World's Fair.

HOUSEHOLD FINANCE
CORPORATION *and Subsidiaries*

Headquarters: 919 N. Michigan Ave., Chicago
"Doctor of Family Finances"

one of America's leading family finance organizations, with 240 branches in 153 cities

HOUSEHOLD FINANCE CORPORATION, Dept. NB-3
919 N. Michigan Ave., Chicago, Ill.
Please send me booklets about Household's family money service without obligation.

*Name*_____
*Address*_____
*City*_____ *State*_____

been geared to produce them immediately in large numbers, the French idea of a surprise attack on a large front might have resulted in a decisive victory.

What is the "economy of force" principle?

It is to husband your available strength so that you will be stronger at the decisive point than your adversary even though you are weaker than he is everywhere else.

It is the opposite of what the military world calls the "cordon system."

The "cordon system" is the system naturally adopted by the average person. It is to take all the means available and distribute them equally along the line to be defended.

In the war with Spain in 1898, when our Atlantic Coast towns heard that the Spanish fleet had left Spain for our side of the ocean, they filled Washington with their demands for protection.

Concentrating the defense

HAD the Navy been compelled to yield to this demand, our fleet would have been scattered from Maine to Texas. In no harbor would the one or two ships present have been strong enough to resist the Spanish fleet had it appeared. This despite the fact that the Spanish fleet, as a whole, was considerably weaker than ours.

Allowing the Navy to follow the "economy of force" principle and concentrate its ships instead of scattering them along the coast meant two things:

1. The Spanish fleet was defeated.
2. It was defeated so far from our coast that none of the coastal towns heard a hostile shot fired, nor were they in the slightest danger.

From time to time a demand is made that we protect our coast by a series of air forces scattered from Maine to Florida, Florida to Texas, and San Diego to Seattle. This would be the same violation of "economy of force" principle as would have been the dividing up of our fleet in 1898.

Just as our fleet needs plenty of harbors, so does our air force need plenty of air fields along all our frontiers. Similarly, just as our fleet can give us the most protection by being concentrated so that it may present the maximum force to any enemy, our frontiers can be best protected in the air by having our air force concentrated so that it can be used as a whole in whatever quarter is threatened.

Anti-aircraft guns, when equipped with the latest modern devices for accurately shooting at and bringing down airplanes, are expensive. If every city in the United States within reach of air attack was surrounded by these guns, the total number would run way into the thousands.

Adding the number of anti-aircraft guns needed by the army in the field, the total would come to a cost that the country could well hesitate to spend, especially since there is no guarantee that, in a few years, a new weapon may not outmode all existing models.

The "economy of force" principle can be applied in two ways to give us the same protection with a much smaller number of guns and, therefore, at a greatly reduced price.

Our present model of anti-aircraft gun is mounted on motor drawn carriages so it is already mobile. However, the country lacks the network of roads and particularly the roads for "through traffic" going at high speeds.

If we follow the example of Germany which has already built a number of such roads and is building more, we will be able quickly to concentrate all our anti-aircraft guns wherever the danger happens to be.

While the research work necessary to determine the ratio has not yet been done, there is little doubt that, under such a system, each 1,000 guns would give more protection than each 10,000 under existing road conditions and with a cordon system.

But there is an even more important way to apply the "economy of force" principle than this.

Today we have anti-aircraft guns which are excellent against aviation but of little use against infantry, cavalry and field artillery.

We also have a field artillery gun which is excellent against infantry, cavalry and field artillery but which is of little use against aviation.

Thus in battle, instead of all the guns being used against the most important target at any moment, whether it is on the ground or in the air, only part can be so used, the balance standing idle.

This is not due to stupidity nor neglect on the part of our army but to a number of technical and tactical (use in battle) difficulties.

However, it is a violation of the "economy of force" principle. When General Charles P. Summerall was Chief of Staff of the Army he recognized this and made an effort to overcome it.

In Spain on a number of battlefields I saw German anti-aircraft guns switch their fire from targets in the air to those on the ground and *vice versa*.

That these guns do not fulfill the qualifications necessary for a field gun is probably true. However, they show that fire power in battle can be increased and expenditure reduced by abolishing the necessity for two groups of guns.

In our rearmament, instead of manufacturing large numbers of field guns which are not anti-aircraft and anti-aircraft which are not field guns, we should experiment until we have a gun which fulfills the requirements of both.

Technically all our latest models of infantry (including tanks), cavalry (including armored cars) and artillery weapons and of our planes are excellent.

However, the fighting in Spain shows that a technically perfect machine or weapon may fail to meet the tactical requirements of battle.

Therefore, in appropriating the money for rearmament, Congress should not specify types of weapons but draft a bill in sufficiently general terms to permit the lessons of the Spanish Civil War to be thoroughly studied and applied.

At present, we have excellent infantry, cavalry, field artillery, and other schools where tactical experiments are carried on. The ordnance and air service carry out excellent technical tests of

material of all kinds. The Assistant Secretary of War's office is in touch with industry and its research.

However, there is no place where all this research work is coordinated.

Our General Staff (corruption of "the General's Staff") in its organization and methods as it stands today is the equal and, in some respects, the superior to those of Germany, France, Italy and Japan whose general staffs are far superior to those of any other country.

Our General Staff often fails to function as well as do those of other countries solely because of insufficient funds.

A new section should be added to the five existing and charged with coordination of technical and tactical invention and experimentation.

Then the United States would soon, provided Congress makes the necessary appropriations, be in the position to use its industry as a weapon in case of war.

This would greatly cut any such tremendous costs with totally inadequate returns in battle as characterized our industrial mobilization in the last war.

Avoiding extravagance

IT WILL permit us to avoid in peace time today's alternatives: either spending considerable sums for types of munitions which may be outmoded when war comes or refusing to spend the money with the result that our war reserve stock falls dangerously low, the condition at present.

In Germany and Italy, the lessons of the war in Spain need only the word of their dictators to be applied.

In France and Britain today the most difficult problem is how to get the maximum military benefit from their industries.

On my return to Paris from Spain I was received by Marshal Petain. His active mind as always covered every phase.

The Marshal expressed himself strongly upon the need for peace time preparation of industrial mobilization.

At my request, he authorized and signed this statement:

Modern war cannot be improvised, it must be prepared.

Undoubtedly the victor will always be the one who can hold out longest, even if only a quarter of an hour. But that quarter of an hour cannot be seized from the fortunes of war on the battlefield by the tenacity of the combatant alone; it starts now with the time gained over the adversary in time of peace thanks to superior power for the production of arms, of materiel, of munitions and their supply.

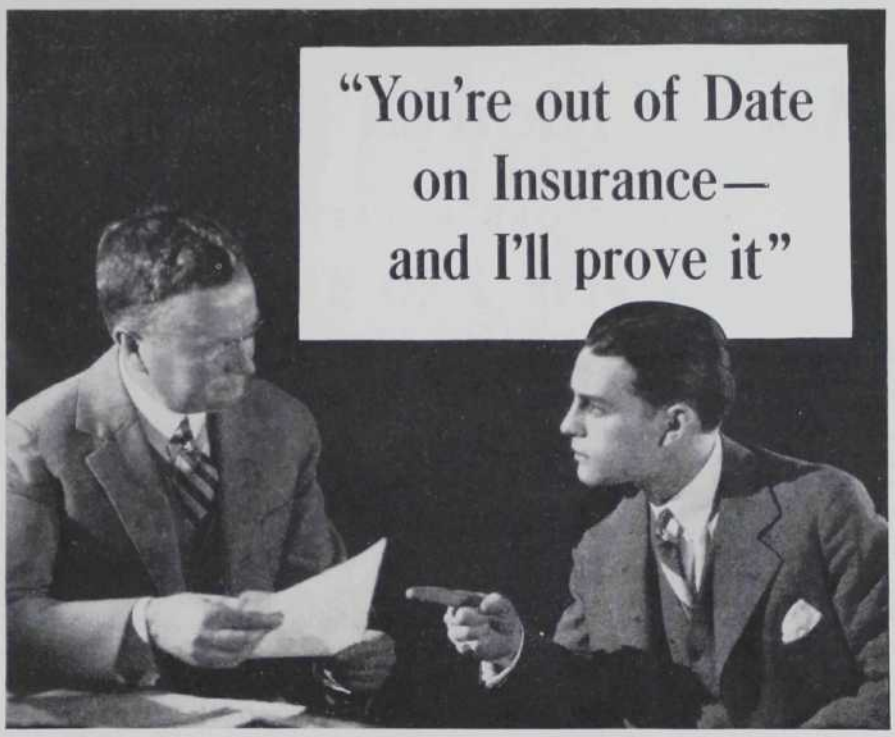
The mere existence of this superior power constitutes a weapon capable of supporting a national policy in a decisive fashion.

Applying this to our own country means:

"Do it now."

If we do that, then when our statesmen enunciate our policies, they will be listened to abroad.

In Europe more than a year and a half on this trip, I know they are not listening now. This because, despite our tremendous potential strength, we are not in a position to use it militarily except after a long delay.



Read these facts about Lumbermens

How 300,000 motorists and property owners reduce insurance costs

This man didn't know that today shrewd insurance buyers have brought about a tremendous swing to mutual insurance. He was grateful to this salesman because it saved him money to learn this and to learn the following facts about Lumbermens:

1. Lumbermens has paid dividends to policyholders each year for over a quarter of a century. Last year these dividends were more than $4,700,000. This has meant average dividend savings to automobile policyholders since organization of more than 20%. Last year compensation policyholders saved from 15% to 25% while boiler, burglary and plate glass insurance and fidelity bond policyholders saved 25%.

2. These dividends are made possible by:
a. Lower expenses—10% to 15% is saved of every dollar you pay as compared with most other casualty companies.
b. Lower losses—as much as 10% of your premiums are saved through Lumbermens careful selection of policyholders and its safety program.

3. Lumbermens has over $34,000,000 in assets and net cash surplus of over $4,500,000. On December 31, 1938, over 65% of all assets were in cash and U. S. Government Bonds. A complete list of all bonds and stocks owned appears in each statement published.

4. Lumbermens has grown in size, strength and premium income every year for over a quarter of a century—through war, panics and depressions. This record, unequaled in insurance history, is your assurance that all claims, including those of a serious nature which may have to be paid over a period of years, will be met in full.

5. Lumbermens service blankets the United States and Canada. Sixty branch offices, hundreds of representatives and thousands of agents located in every state and province serve over 300,000 policyholders promptly.

Your local Lumbermens representative will be glad to help you. He will give you all of the facts about the savings you can make while obtaining the security and service that Lumbermens offers.

LUMBERMENS MUTUAL CASUALTY COMPANY

JAMES S. KEMPER, *President*

MUTUAL INSURANCE BUILDING, CHICAGO, U. S. A.

"The World's Greatest Automobile Mutual." Organized originally for lumbermen—now serving a representative cross section of American industry.

Man to Man in the Money Market

By CLIFFORD B. REEVES

Public Financing at Zero

THE TOTAL of corporate bond issues offered publicly in January was exactly zero, a fact which did little to cheer Wall Street, particularly as the volume of privately-placed financing meanwhile went on apace.

The complete stoppage of public corporate offerings was explained by the head of one large underwriting house as being only a temporary delay caused by the additional expense involved in filing registrations during December and early January.

"Registrations filed in time to become effective in January," he explained, "would require a special audit just before the regular year-end audit, in most cases. So naturally corporations prefer to wait until the year-end audit figures become available for purposes of the registration. Thus they avoid the expense of an additional interim audit.

"Because of this," he concluded, "January has become a traditionally poor month for public financing since the advent of the Securities Act."

The Profits of Investment Bankers

THERE are only a few investment banking houses whose securities are in public hands. The financial community eagerly awaits the annual reports of these few houses because they provide the only available index to the trend of profits in the investment banking business.

The first two houses to make public reports this year were the First Boston Corporation and Schoellkopf, Hutton & Pomeroy. The showing made by both these firms in 1938 was regarded as surprisingly good in view of the generally low level of financial activity in the past year. First Boston reported an unexpectedly large profit of $1,242,148, as compared with a loss of $2,484,004 in 1937. This improvement was generally regarded as a miracle of management under 1938 conditions. The Schoellkopf firm reported net income of $23,528 as compared with its previous year's profit of $118,518.

The conclusion generally drawn from these reports was that the investment banking business had not done as badly in 1938 as might be expected, probably because costs have successfully been adjusted to a lower volume of business.

More Deficits than Profits

"I WAS astonished," an investor said recently, "to learn from Treasury figures just announced that more than half of all American corporations showed losses rather than profits in 1936. Out of 530,000 corporations reporting for income tax purposes, more than 275,000 reported deficits. The combined loss of those 275,000 companies exceeded $2,000,000,000 for the year."

"There's nothing very astonishing about it," replied the investment counselor with whom he was talking, "except that experienced investors like yourself still seem to be unaware of the high incidence of business losses.

"There hasn't been a year since 1925 when at least four out of every ten corporations didn't show losses rather than profits. That was true even in 1928 and 1929. In 1932, at the bottom of the depression, seven companies out of every ten reported deficits. And even those that make money don't make as much as most people think. In the 11 years from 1925 through 1935, all American corporations combined showed average annual earnings of only slightly more than two per cent on their combined net worth.

"I don't want to turn this discussion into a sales talk for my own business," the investment counselor continued, "but I can't refrain from pointing out that this consistently large loss record of American business should give any investor a rough idea of the difficulties of successful investing."

British vs. American Banks

A BUSINESS MAN called on a friend who was an official of one of the large New York City banks, and laid on his desk a statement advertisement of Barclays Bank of London, which had just appeared in New York newspapers.

"Look what the British banks do to help business," he said. "Nearly 60 per cent of the total assets of Barclays Bank is represented by loans, discounts and bankers' acceptances. Your bank has less than 25 per cent of its assets in those categories. Why don't the American bankers get their money into circulation for the benefit of business, the way the British bankers do?"

"All right," said the banker. "I'll start off by lending you an additional $100,000 for your business, over and above your present credit line."

"You will not," said the business man. "I don't need it, and you know it. Why should I pay the interest cost on money I have no use for?"

"I'll bite!" replied the banker. "Why should you? And there you have the answer to your original question.

"If American business men needed more credit at the moment, the banks would be delighted to advance it. That's how we make our money. But bankers can't *force* credit into circulation. Some one must be willing to borrow. And no one will borrow unless he feels he can put the funds to profitable use.

"And here's another thing to remember," the banker continued. "On short-term bank loans, low interest rates provide no special incentive to borrow. The difference in interest cost between six per cent and three per cent on a $100,000 loan for 30 days is only about $250. If you have a $100,000 business transaction, on which your gross profit is perhaps $10,000 or more, you are not likely to go into it simply because the cost of financing it is only $250 instead of $500. If it promises profit, you'll gladly borrow money at six per cent; and if it doesn't promise a profit, you won't borrow at three per cent."

The Big Banks Get Bigger

THE CONCENTRATION of banking funds has steadily increased, rather than decreased, under the New Deal. A survey by the *American Banker* showed that, as of the close of 1938, the 100 largest banks in the United States had combined deposits of $27,630,000,000, a gain of $10,190,000,000 since 1933.

There are 14,650 banks in the country, but the 300 largest have two-thirds of the country's total deposits.

Five banks now have more than $1,000,000,000 of deposits each. Four of these are in New York and the other in San Francisco. Of the ten largest, New York is represented by six, Chicago by two, and Boston and San Francisco by one each.

On the basis of latest published statements, the Chase National Bank of New York ranks first, with deposits of $2,234,000,000, followed by National City Bank and the Guaranty Trust Company. Bank of America, N. T. & S. A. of San Francisco, with deposits of $1,437,000,000, is the largest bank outside New York City.

Although fourth in size, Bank of America was apparently the biggest earner of any bank in the country last year, with earnings of $25,600,000, as against $15,500,000 for Continental Illinois of Chicago and $14,400,000 for the Chase National of New York.

Aviation Equipment Trusts

A BRAND new type of security made its début in Wall Street when Pan American Airways announced the formation of the first "aviation equipment trust" in history. It was modelled closely after the pattern of the famous railroad equipment trusts that for many years have enabled the railroads to finance the purchase of equipment at low cost.

The Pan American trust certificates, bearing a four per cent coupon, and maturing 1940 to 1944, were sold in the amount of $2,500,000 to the New York Trust Company, which also acts as trustee. The certificates are secured by pledge of the airplanes, which are then leased by the trustees to the airline.

Pan American paid 30 per cent of the cost of the equipment in cash and financed the remaining 70 per cent through the sale of the trust certificates.

It is expected that, as investors become more familiar with this type of security, it will be generally used by airlines for financing their equipment purchases.

S.E.C. Publicity Methods

WHEN the squabble between the S.E.C. and the Transamerica Corporation was finally taken to the courts to decide the matter of the Commission's jurisdiction, the court immediately ordered both parties to cease the issuance of further publicity. This ended what had rapidly been degenerating into a dog-fight in the nation's press.

Commenting on this action, an investment banker who has been a close observer of the S.E.C.'s publicity technique, said, "There has been altogeth-



10 MINUTES IN THE LIFE OF A DICTATOR



10:00 A.M. (H'm . . . Here's this new Dictaphone the chap left on trial . . . well, no harm in testing it . . .) "Take a note to Meigs asking for a rating . . . "



10:02 A.M. (Almost forgot . . . and would I have been in the dog-house!) ". . . Miss Brown, please remind me to take some anniversary flowers to my wife . . . "



10:03 A.M. (Say, this thing's handy all right . . .) " . . . to the advertising department . . . here's an idea . . . " (Look at that! Miss Brown goes right on working . . .)



10:05 A.M. (Miss Brown's catching that phone call . . . if she'd been taking dictation we'd *both* have been stopped.) " . . . Jim Nolan, Chicago office . . . "

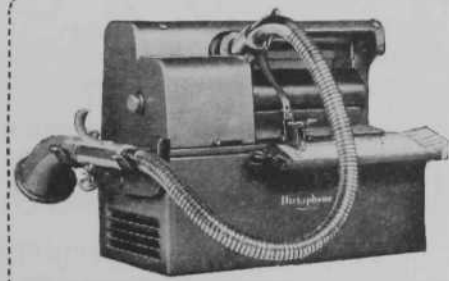


10:07 A.M. (Say, this is *something!* Talk about going on *record!*) " . . . I called you about that contract . . . 'On or before March 15th!' "



10:10 A.M. (I'm clearing my desk in *half* the time!) "Miss Brown, take a letter to Dictaphone Corporation . . . 'Gentlemen . . . Bring me a dotted line . . . ' "

It's amazing how a demonstration practically always means that a Dictaphone moves in . . . and the needless waiting and frequent interruptions of two-person dictation move out. Try this modern dictating machine yourself. No obligation. Just phone your local Dictaphone office or clip the invitation below.



NB-3

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☐ Send further information about Dictaphone.

Name _____

Company _____

Address _____

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Offices in all principal cities of United States and Canada

er too much preliminary publicity on S.E.C. actions, and it would be a constructive thing all around if it could be stopped.

"On the basis of a preliminary investigation, the S.E.C. brings charges against some banking firm. Then, before the firm has a chance to defend itself, the Commission issues a publicity blast, presenting the charges from the Commission's viewpoint, and thus blackening the reputation of the firm. If the subsequent hearings prove the charges to be unfounded, that fact, although published, may never receive the same attention that the original charges of misbehavior receive. So an innocent firm suffers irreparable damage to the good name that it has been working for years to build up.

"Realizing the power of the Commission's publicity methods," he continued, "it is only natural that a firm against which charges have been brought, should defend itself before the public by issuing press releases of its own.

"So a battle of publicity ensues before the case is tried.

"Is there any reason," the banker asked, "why, in cases of that sort, the publicity should not be withheld until after the Commission's hearings have established the guilt or innocence of the firm under inquiry?"

Six Years of Job Insurance

(Continued from page 25)

met in everyday employment. As Wisconsin employers survey the field of state unemployment compensation laws, we can say at least that our system is distinctive. The fact that so few other states saw fit to follow us or profit by our experience makes it all the more important to justify ourselves and even have the temerity to offer some gratuitous advice which, if accepted, may help us to protect what we have. Self-determination by states under the present criteria of the Social Security law is at stake. The fact is easily determined if recent emanations from Washington sources are fully understood.

Let us refer to these principles we value so highly.

1. The Wisconsin law contains the basic principle of trying to retain employer-employee relationships.

In other words, the worker has definite knowledge that the benefit checks he receives are drawn on a fund which his own company established at the time he worked there and that these benefits are measured by the length of his employment and his earnings from that

employer. There is no "jack pot" or "pooled fund" which is prevalent in most other states.

There is less chance for the worker who gets the benefits to develop the idea that the state owes him a living. He would prefer to believe that he earned the right to benefits when working for the employer out of whose fund the benefits are paid. There are those among Social Security advocates who believe that unemployment compensation is a method of poor relief for limited periods and that this socialized fund collected from employers must be pooled and that no contributor has a right to concern himself as to who receives his payments.

We have found a great deal of satisfaction in learning promptly who the claimants for benefits are and how much they receive. We know, too, that these payments operate as a form of dismissal wage to workers whom we are unable to continue on our own pay rolls. That is inherent in a company reserve system.

2. The Wisconsin law contains the needed incentive for each employer to minimize the extent and duration of his unemployment by providing a premium for good performance and a possible penalty for excessive lay-offs.

The "Merit" or "Experience rating" provisions in various state laws have either a practical possibility of attainment or they are a delusion because unworkable.

Of 11,000 Wisconsin employers under our Act it is estimated that more than 2,000 will pay a reduced one per cent contribution in 1939. Their company reserve balances will have equalled or exceeded 7½ per cent of their annual pay roll. On the other hand, about 400 accounts, most of them relatively small, are overdrawn and will require a 3.2 per cent rate for the new year. Unless we are disturbed by outside influences, the number of employers on the reduced rate will increase from year to year with the result that such employers will strive to attain the ten per cent reserve level which will thereafter make it necessary to contribute only amounts equal to the annual drafts on their own company reserve accounts.

An incentive is vital

FOR us it is difficult to understand the attitude of some employers in other states who show little interest in the company reserve system with its attendant incentive for improved continuity of employment through reduced contributions and the avoidance of eventual higher costs. It would appear that they are perfectly willing to depend on other industries to help carry their load or that they look upon these compulsory contributions as just another tax which must be borne.

Careful consideration must lead to the conviction that it is a shortsighted policy to disregard the impact on the fund through excessive payments and in some cases utilize the existence of the fund by draining it for the benefit of your own employees. We believe that, without the free and simple operation



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"...take a letter to the boss!"



—dear Boss . . . funny, isn't it . . . how you or J. B. decide on the typewriters for this office when we girls are the ones who have to use them? Couldn't we have a tiny voice in this matter, and suggest the L C SMITH for *everyone?* The difference in our work . . . our speed . . . your repair costs and *our dispositions*, ought to convince you we know a really swell typewriter when we see one.

THE *NEW* *Super-Speed* L C SMITH



Mr. Executive: Your secretary should find in this booklet many hints helpful to her . . . and to you. May we send her a copy with our compliments?



L C SMITH & CORONA TYPEWRITERS INC SYRACUSE N. Y.

of incentive experience rating, the eventual cost of maintaining reserves is bound to be increased. This, in our minds, is justification enough to make every effort to sustain the Wisconsin plan.

3. On the administration side, we appreciate the fact that "employer reporting" has been minimized and that the effort continues to simplify and reduce record keeping and report preparation.

Wisconsin doesn't need quarterly wage reports on all its 450,000 covered workers. We avoid the job of handling more than 1,000,000 useless reports on steady workers. We ask ourselves, why should the state demand time cards on workers who are not potentially eligible for benefits?

Our "wage and separation" reports with the employer's initial expression of liability on all discharged workers form the bases for contact with the law's administrators and intelligent prompt disposition of each claim. The record now being made for prompt payment of benefits has eliminated practically all complaints.

The federal law assumes ten per cent of the standard rate of three per cent of pay roll as a reasonable cost of administration. We have never exceeded an expense allowance rate of three-tenths per cent and for 1938 it was less than .25 per cent.

Let us now consider the future of state laws applicable to compulsory unemployment compensation. There are several reasons for concern:

1. The growing demand for a nationalized system with government regulation and administration. State self-determination will then disappear.

2. Discounting of company reserve plans and substitution of a socializing scheme for relief payments out of one general fund regardless of source and with less and less emphasis on employment records of recipients.

3. Discouragement of "experience rating" that has any substantial incentive for improved continuity of employment. Experience rating in form but not in fact is now offered by a recent report of the Bureau of Unemployment Compensation in these words:

> "In summary it appears that the chief recommendation is that only such a rating formula be adopted as will yield a fixed average contribution of 2.7 per cent of the aggregate state pay roll. This recommendation offers the soundest approach to an experience rating program."

This is the recommendation of a tax collector, not a person responsible for the continued employment of workers and the welfare of industry. "Hang your clothes on a hickory limb but don't go near the water." What is there sacred about the 2.7 per cent rate and why should it be imposed if not required?

May we not suggest to all employers that their active interest in the form and substance of their state laws on this important subject should be an immediate and direct obligation.

History is in the making and you will do well to sit in during the writing. That is what our more extended Wisconsin experience has taught us.

Dixie Land Has Discovered the Bluebird

(Continued from page 28)

grew up to school age, Mr. Harris sold this farm and bought one nearer the school and the church. He paid part cash and assumed a $10,000 Federal Land Bank mortgage. The farm lay in a creek bottom and the first year he caught big catfish on land that he later drained and put into cultivation. The farm continued to make good crops and in four years the land bank was paid in full.

Before the cotton slump the Harris farm grew little food or feed. Now his tenants have their own gardens, chickens, milch cows, free pasture and plenty of fat hogs at killing time. Most of these tenants have dug cellars under their houses for potatoes and canned fruits, and all of them have their own corn fields and corn cribs.

In 1935 the Mid-South winners were Denton Fly, a 32-year-old church elder and land owner of Milan, Tenn., and John E. Shannon, a 49-year-old tenant farmer of Jonesboro, Ark., and father of nine children. The former received the $500 sweepstakes award and the $100 Tennessee state award, plus the *Commercial Appeal's* Trophy; the latter received a $250 award as the Mid-South's champion tenant farmer, plus the $100 Arkansas state prize.

Diversification paid

MR. FLY took to diversification that year in a big way. On his 250-acre farm, he grew 22 different crops, 18 of which were money crops, and maintained 12 Jersey cows and 100 Plymouth Rock chickens. His total income for the year was $12,367.85, of which $4,961.94 was net profit.

"We spent no money for food not grown on the farm," Mr. Fly explained. "We merely traded farm products for what we needed at the store."

As if this wasn't enough, the Flys added electricity and running water to their farm home and built a basement. When fall came this basement was full of canned goods that Mrs. Fly had prepared and their barn bulged with feed crops from their erstwhile cotton fields.

John Shannon won the tenant award by reason of nearly $1,000 net profit that he made on his 208 acres of rented land. This cash income was in addition to food for his family and feed for his stock.

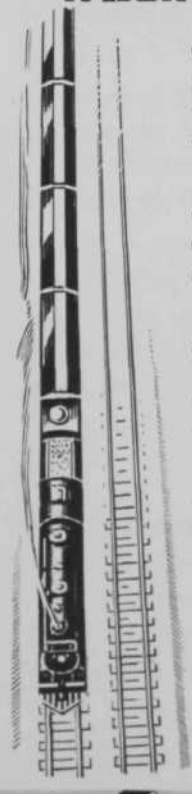
With an eloquence that belied his rural appearance and his toilworn hands, tall, lean Farmer Shannon—married 30 years and a tenant farmer or share cropper for 28 of them—summed up his story in his speech at the Plant to Prosper banquet where he received his award:

If we had started 28 years ago the practices we have been following since we entered the Plant to Prosper contest, we would have dollars where we do not have pennies now.

It has meant more to Mrs. Shannon and me than any work we have ever attempted. It has offered us an incentive to save where we did not save before. It has



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THE HEAVY DUTY RAILROAD



FAR fields looked green to the sales executives of the BLANK* Company.

They proved to be rich and fertile territory when "NON-NOTIFICATION" OPEN ACCOUNT FINANCING solved the problem of how to finance the gap between their discounted purchases of materials and their customers' terms of payment, ten days after arrival.

Sales for 1936 had been over $2,000,000. Under existing financial arrangements, limited bank credits sometimes prevented their taking discounts. Bank loans were renewed at intervals—not reduced in several years. Additional credit from the bank was *not* available to finance new business.

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The greater capital leverage provided by "NON-NOTIFICATION" OPEN ACCOUNT FINANCING has been a determining influence in leading many progressive concerns to make frequent use of it. A company's own need is always the deciding factor. For a full understanding of its soundness and practical advantages, write for a copy of "CAPITAL AT WORK". Address, "Department NB".

**A fictitious name, but the facts and figures, taken from our records, can be certified.*

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made us plant where we did not plant before. It has kept us from buying materials we would have bought if we had not been keeping an accurate record of expenditures.

Our net profit for the year is due largely to the fact that our cash income was not spent for articles that can be produced on the farm. We grew nearly everything we used except sugar, coffee, salt, flour, baking powder, soda and a few other incidentals.

While Farmer Shannon and the boys worked in the fields, Mrs. Shannon and the daughters were busy in the home. They canned, preserved, sewed and mended, even using discarded fertilizer sacks (neatly laundered) to make shirts for the men and aprons for the women.

One day, on a Jonesboro street, a man asked Farmer Shannon about the shirt he was wearing, which vividly displayed the bright red trade-mark of a fertilizer manufacturer.

"What are you doing—advertising for that fertilizer company?" the man asked.

"Hell, no!" replied Mr. Shannon. "That material makes darn good shirts; you ought to try them some day."

Mrs. Shannon was famed throughout the countryside for the hand-made quilts which she sold.

When the news came that Mr. Shannon had won the $250 prize, a daughter hurried to tell her.

"Mother," she exclaimed, "isn't it wonderful? Now you can have your eyes treated."

"No," Mrs. Shannon replied, "it means more improvements for the farm."

A reporter's questioning revealed that Mrs. Shannon had been stricken blind when she was ten years old. Three years later she regained her sight in an institution for the blind at Little Rock. Her vision, however, was still impaired.

"If you saw as poorly as I do you would consider yourself practically blind," Mrs. Shannon told the reporter. "But I think I'm doing fine—I'm thankful that I am able to see at all."

Seeking farm improvements

NOT content with improving his own rented farm, Mr. Shannon took the lead in an effort to develop other farms in his vicinity by having an electric power line extended into the area. He persuaded a Jonesboro power company to build the line and one of his sons wired their home. Today it has electric lights, a washing machine, electric iron and radio and there are electric lights in the Shannon barn and chicken house.

What are Mr. Shannon's views on tenant farmers, after 28 years of experience as one of them?

We have found that the best way to get a good landlord is to be a good tenant. Try to cooperate with the landlord to build up his farm, rather than tear down the buildings, neglect the soil and then move off to a better farm. Too many tenants do the latter and wonder why they fail.

This grizzled Arkansas tenant farmer achieved nation-wide prominence the summer of 1937 when he attended a meeting of the Farm Chemurgic Council at Dearborn, Mich., under the aus-

pices of the Memphis Chamber of Commerce. Called upon to address the assembled scientists, industrialists and agricultural experts, he almost "stole the show":

Being a tenant farmer practically all my life, and at present living in a county where three-fourths of the farmers are tenants, renters or share croppers, I speak knowingly.

Sure, occasionally you find greedy landlords who want all they can get out of their tenants, but that is the exception. In fact, the progressive land owners have come to realize that the happy, contented worker—be he tenant, share cropper or renter—yields the best profits.

Farmers can help themselves

FOR this reason, a few years ago, someone conceived the "live at home" slogan. Now many land owners require the tenant to produce on the farm, first, the things he needs to live on.

I feel safe in saying that the failure to grow a full garden has put more farmers on relief than all other causes combined.

This farm garden should include everything from radishes to rhubarb, with a truck patch full of potatoes, peas, pumpkins and peanuts. Add to this a few berries and fruit trees, a pressure cooker to can the surplus amounts, a Poland China sow, three dozen Leghorn hens, two good milch cows and the depression would be a thing of the past—if you are free from lumbago and not afraid of the summer's heat or the winter's cold.

Came the fall of 1937 and the Plant to Prosper contest, now broadened to three grand divisions, crowned three more Mid-South winners. Grand champion was 41-year-old Farmer C. W. Armstrong of Belmont, Miss. Champion of 5,000 competing tenant farmers was 48-year-old H. L. Majure of Poplar Grove, Ark., who said that he "learned during the depression that one-crop farming would never get me anywhere." Winner in the land owners' division was Godfrey White, a 39-year-old plantation operator of Osceola, Ark., whose 24 Negro tenant families unanimously agreed that "he shore is a good boss."

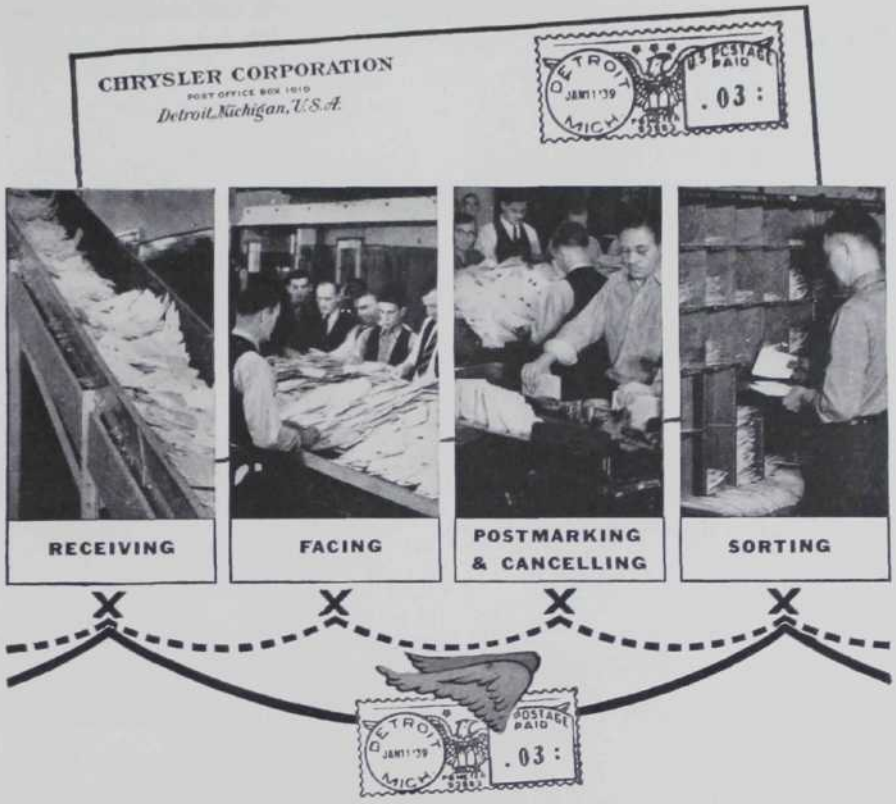
With his $500 grand prize money Mr. Armstrong bought a truck, just about the only thing he had been unable to grow on his 35-acre farm.

When Mr. Armstrong bought this farm in 1930 he moved his wife, his two children and all his worldly goods to it in a Model T truck (which he says was far from overloaded), and they took up their residence in a two-room cabin. The farm was a picture of desolation; erosion had sliced great, red gullies in the hill land and the depleted fertility of the soil showed the evils of one-crop farming.

Seven years of hard work . . . and then:

A comfortable six-room house that Mr. Armstrong had built with lumber cut from the farm and reared mostly with his own hands, electric lights, a radio playing in the living room and an electric refrigerator purring in the kitchen. The gullies were gone, the soil was vigorous with new fertility induced by modern farming methods.

In the entire year of 1937 Mr. and Mrs. Armstrong had spent only $30 for food not grown on their farm—mostly things like coffee, sugar and rice. Moreover,



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CONTROLLED PERFORMANCE

their pantry was well stocked and their barns were bulging.

The record sheet showed that Farmer Armstrong's total income in 1937 was $3,399.23 and when the year ended he had $1,200 in cash.

Mrs. Armstrong had canned 104 quarts of vegetables, 184 quarts of fruit, 25 quarts of meat, 15 quarts of fruit juices, 35 quarts of kraut and 32 quarts of pickles, as well as dried 210 pounds of vegetables and 80 pounds of fruits. Several hundred pounds of meat from the hogs were in the smokehouse, while the barn held 400 bushels of corn, ten tons of hay and 500 pounds of vetch seed.

The Mid-South farm operator championship that year went to Godfrey White, 39, owner of a 546-acre plantation in Arkansas' rich Mississippi County where he grew some cotton and much food and feed. Mr. White substituted cash wages for the share cropper system among his 24 tenant families, provided each with house, fuel and water free and as much of the farm's truck crops as he needed for home use and canning. He required each family to buy enough pigs for its meat.

The Mid-South's champion tenant farmer of that year was Mr. Majure.

In his first year in the Plant to Prosper competition, Share Cropper Majure had made his 93 Arkansas acres produce a gross income of $2,301.87, a gain of $1,217.25 over the year before. Included in his expenditures were $147 for new furnishings for his home, $101 for the education of his children, $26 for medical care, $125 for livestock and $68 for farm machinery.

More sources of income

CONSIDER Mr. Majure's accomplishments. All his life he had raised cotton on somebody else's land for his half share of the crop, and bought his family's food. Now, in 1937, he had 27 separate sources of income from as many diversified crops. Evidence that he took Plant to Prosper's "live at home" principle seriously is shown by the fact that, in the entire year, his family spent only $87 for food not raised on the farm.

A few years before Share Cropper Majure had practically nothing that he could call his own. Now he had made his first payment on a 40-acre farm. Mrs. Majure and the four children had a hand in it, too; all of them had worked hard helping make the crops and even picking the cotton. The children had also found time for outside activities. Robert, 16, had won a registered pig in a 4-H Club contest; Louise, 17, won a bus trip to Fayetteville for her poultry project and there she captured first prize in the county dressmaking contest; Cecil, 13, won a blue ribbon for her proficiency in dressmaking and Carl, 11, made excellent progress with his 4-H Club pig project.

When the 1937 Plant to Prosper banquet was over and Mr. Majure pocketed his $250 cash prize, he went back to his Arkansas acres promising:

Just wait until next year—I'll really show 'em something then!

And he did!

In February, 1938, Mr. Majure and his family moved to a 40-acre farm near Poplar Grove, Ark., for which his toil and his Plant to Prosper prize money had provided the down payment. Nestling in the shadow of a group of oak trees stood a modern six-room home whose white clapboards glistened with shiny newness. Mr. Majure reached down and picked up a handful of the rich black soil and crumpled it between his horny fingers. This land was his! He looked at the trim little home in its shiny newness—this, too, was his.

Early in 1938 Mr. Majure entered the new Plant to Prosper competition in his new classification of land owner. All summer he and his family worked hard.

Came December and the announcement of the new Plant to Prosper winners.

Many farmers won honors

CROWNED as the Mid-South's champion tenant farmers of that year were Mr. and Mrs. Tom H. Mitchell of Union County, Miss., who had won the Mississippi state tenant championship in 1937. Mr. and Mrs. Mitchell and their seven children had spent only $43.82 for food not grown on their farm, and wound up the year with a net income of $2,000, or $600 greater than the year before.

Crowned as the Mid-South's champion farm operators of that year were Mr. and Mrs. John A. Edrington, owners of a 320-acre plantation in Mississippi County, Ark., who had taught their tenants how to "live at home" and closed the year with a net profit of more than $12,000.

Winners of the $100 Home Improvement award for the Mid-South farm family making the greatest progress in this respect were Mr. and Mrs. Ernest French, operators of 120 rented acres near Blytheville, Ark., who rebuilt their tenant home into a cozy, white clapboard house, installed running water in the kitchen and barn, and set out evergreens and flowers.

Grand champions among the 10,000 entrants in the Negro Live at Home Contest (a separate competition introduced in 1938 for the first time) were Carter and Beulah Thompson of Oxford, Miss., who won $250 for being the champion Negro farm family of the Mid-South and $50 additional for finishing first in Mississippi. On their erstwhile cotton farm which they have owned for 20 years, they grew ten different crops, spent less than $1 a month per person for purchased food for themselves and their children and finished the year with a net profit of $2,542.46.

Came the annual Plant to Prosper banquet at Memphis' Hotel Peabody and the time for the 1938 Grand Sweepstakes Award for the Mid-South—and H. L. Majure stepped forward to receive his honors.

Amid the cheers of a thousand assembled farmers, Chamber of Commerce members and agricultural experts, Mr. Snowden, as chairman of the Chamber of Commerce's agricultural committee, presented Mr. Majure with a $500 check as the first grand prize and John H. Sorrells, publisher of the *Commercial Appeal*, presented him with the 1938 Plant

to Prosper Trophy, emblematic of the Mid-South farm championship. He received an additional $100 award as the Arkansas state champion.

What Mr. Majure had done in 1938 to win these honors was summed up in the report of the Plant to Prosper judges' committee:

Some five years ago the *Commercial Appeal* set up an ideal program for farming—a system that would enable a tenant to buy his own farm and keep it. It was an ideal based upon practices found sound by the Extension Services. No doubt the leaders hoped some day for a man and his family to follow this ideal to completion. The man and his family have now been found—they are Mr. and Mrs. H. L. Majure and their children.

How Mr. and Mrs. Majure had done it was explained in his county agent's report which showed that in 1938 the family of six had spent only $49.64 for food not grown on their farm; that the Majure's total cash income from their 40 acres was $1,603.98, their total expense, $534.40 and their net profit, $1,069.58. The Majures had really learned to "live at home" and make this plan pay cash dividends as well.

How the family had accomplished this was told by Mr. Majure:

The Plant to Prosper competition has meant freedom, contented minds, happiness and a bright future for my family and myself. Two years ago when our county agent got us to enter the competition, we did not understand it fully. In the fall, we filled out a book and tried to follow the suggestions for better crops that our county agent and our home demonstration agent gave us.

A reward for work

LAST year we won first place in Arkansas and won the championship in the tenant division. This year we bought a farm and built a home. We feel that Plant to Prosper idea is one of the best ways to solve the tenant problem. I say this because if you win, you have to work. We have always worked and we trust we will always be able to work. We were tenants for 20 years and never on relief in any way.

I have my own farm now—land that is really my own. It is the result of our family getting interested in the Plant to Prosper competition and plenty of hard work by my wife, my children and myself.

What Plant to Prosper means to the Mid-South's traditional Cotton Belt is told by Mr. Snowden, speaking for the Memphis Chamber of Commerce's agricultural committee:

The one-crop farm must go if there is to be economic freedom for our southern farmers. In its place must be planned farms that grow diversified crops so that, first, the family is well fed, and, second, so that there is a surplus to insure immediate cash income.

We have come far in the five years that Plant to Prosper has flourished, but it is only a beginning. There is work—and more work—to be done. It is not enough that 42,000 farm families in the South are acquiring better homes, bigger incomes, finer health. The number must be doubled and then tripled and then quadrupled. It can be done. There is hardly a farm in the South that is not potentially a self-sustaining unit.



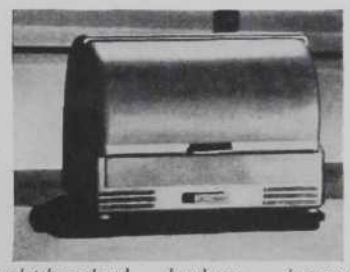
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It's the new, enclosed Ediphone for your desk. A beauty to look at! Compact as a box of candy! This complete Ediphone takes up less desk space than a sheet of regular 8½"x11" business paper. Think of that! It's another achievement of the "house of miracles"—the Thomas A. Edison Laboratories.

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SAY IT TO THE Ediphone
EDISON VOICEWRITER

Spiking the Myth of British Housing Supremacy

(Continued from page 9)

building is low cost financing, which is done by large building societies with ample funds. These societies, comparable with our building and loan associations, only larger, have some $3,500,000,000 in mortgages outstanding. Their common practice is to lend up to 80 per cent of the cost of a house on a 20 to 25 year amortized mortgage at from 4½ to five per cent interest. A large number of loans run from 90 to 95 per cent, the difference between the normal 80 per cent and the higher figure being guaranteed by the builder. A steady wage earner with a good record can buy a house with a down payment of only five per cent.

There is little doubt that the British long-term amortized loan at low interest rate requiring small down payments has been one of the principal contributing factors to the building boom. In this country a similar type of loan has now been made possible by the Federal Housing Administration, and the results are proving equally beneficial to building. The recent sharp increases in home building here can be almost entirely credited to the liberal financing methods introduced by the Federal Housing Administration and now generally employed by all private lending agencies.

Much has been said about "mass building" in Great Britain. It is true that there are a considerable number of very large private home building firms, such as John W. Laing & Son; Davis Estates, Ltd.; Taylor Woodrow Estates; Wates, Ltd.; New Ideal Homesteads, which have built more than a thousand homes a year. But it is also true that there are some 30,000 active home building firms in England who, taken collectively, do the bulk of construction.

Fewer local differences

THERE is, too, a vast difference in the size and homogeneity of England as compared with America. Population is much more heavily concentrated, distances are less, local customs and building habits tend to be much more similar than in the widely separated towns and villages of America.

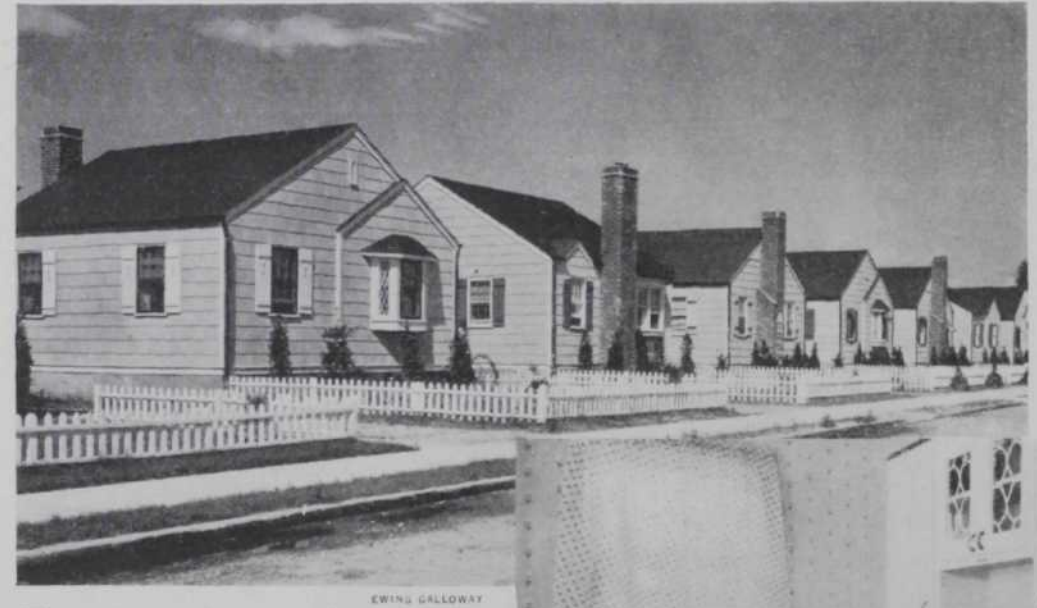
Here we have our large-scale home builders, too, such as Levitt & Sons, Gross-Morton, and Mott Brothers on Long Island; J. C. Nichols of Kansas City; Hugh Potter of Houston, Texas; and possibly a dozen others who erect from 50 to 300 houses a year. In the event of a boom such as England has enjoyed, the operations of these and similar builders may well expand to the size of the few large British operators. But the bulk of the nation's homes will continue to be built by thousands of comparatively small operators.

While the present building boom in England is more than 80 per cent privately financed and operated, it should be noted that the Government has done much to establish favorable conditions that make the present private operations possible. Its public housing and slum clearance have been handled in a way that has not frightened private operators out of business.

The first attempts at government subsidized housing were made after the World War to meet the shortage then existing. The same errors were made in these early attempts that are being made in the U. S. today. The subsidized housing was extremely expensive and brought about increases in building costs that seriously affected private construction. However, that was almost two decades ago, and since then, by a process of trial and error, a system of subsidized building, operating through local housing authorities has been evolved, which is honest, efficient and apparently reasonably satisfactory.

The lesson the British learned, and which we in America have yet to learn, is that subsidized housing must be priced low and must be definitely restricted to persons in the lowest income brackets who cannot be served by private builders. John W. Laing, one of Britain's largest builders, summarized this point well recently when he said:

> Real harm is done by making subsidy houses very costly. It is an unnecessary extravagance; the subsidy ultimately has to be paid largely by the man who occupies a nonsubsidy house, and it may be that the man who receives the subsidy will be living in a better house than the man who helps to pay for it; and the more subsidies that are given the less the scope left for private enterprise, which is the economic lifeblood of the nation.



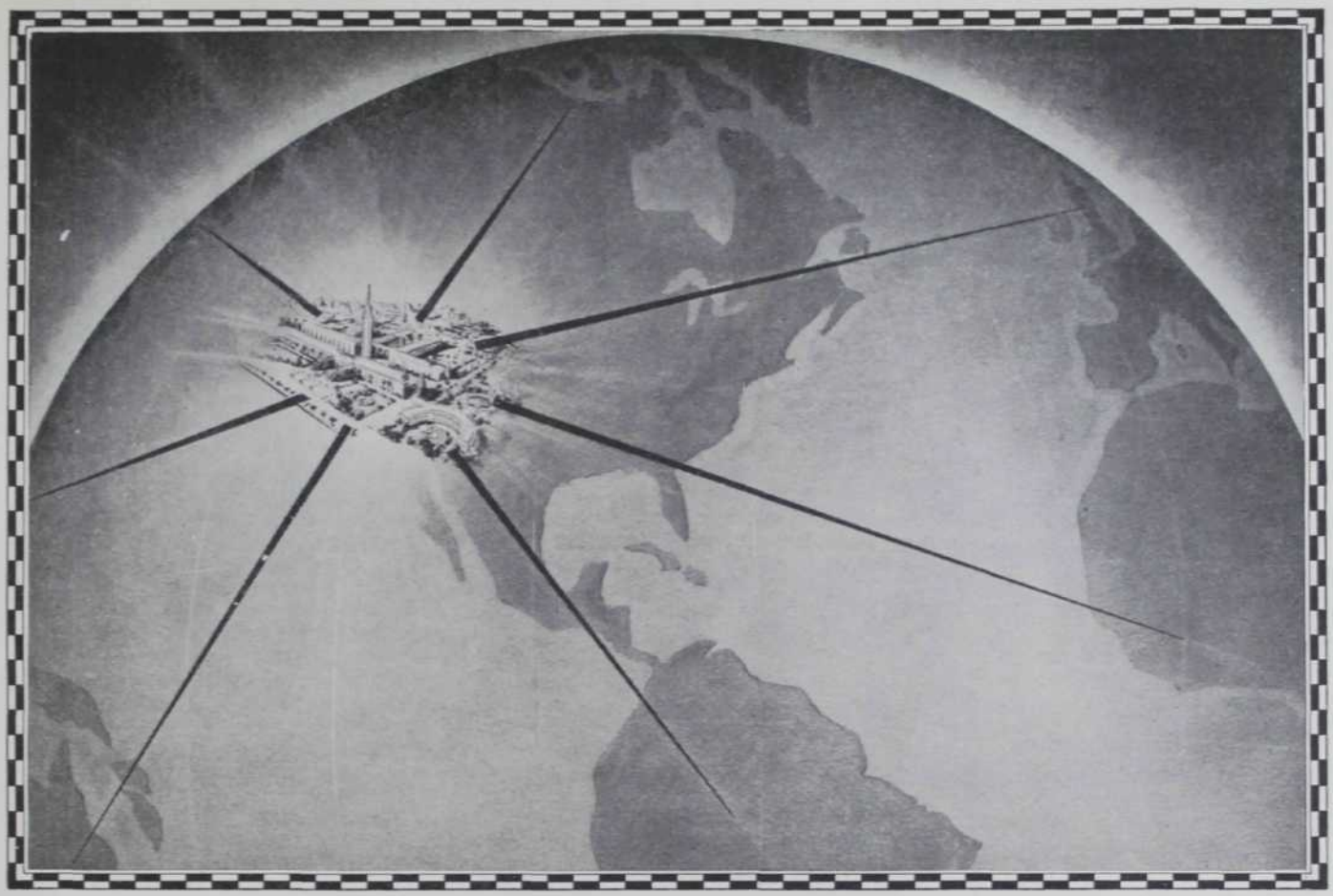
EWING GALLOWAY

These $3,000 American homes provide modern conveniences that English workers' wives never expect



NAT'L LUMBER MFRS. ASS'N BUCKINGHAM STUDIO

These modern kitchen furnishings are provided in a $2,500 (without lot) American home



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The Golden Gate International Exposition will be known as "The Pageant of the Pacific".

To this great Exposition will come visitors from the four quarters of the globe to learn of other people and their customs, methods and products—to exchange *ideas* and *ideals*.

Better relations and closer friendships are bound to result as first-hand knowledge develops a clearer understanding among nations. For this reason, the Exposition will be an important world goodwill center.

The International Business Machines Corporation, which is serving the needs of business and government in seventy-nine different countries, is proud to be part of the Pageant of the Pacific, which it views as an expanding center of world commerce.

It believes that through the continued cooperation of business, financial, governmental, educational, religious and cultural institutions, this area will add its further contribution to the cause of world peace through world trade.

You are cordially invited to visit the exhibit of International Business Machines in the Palace of Electricity and Communication at The Golden Gate International Exposition

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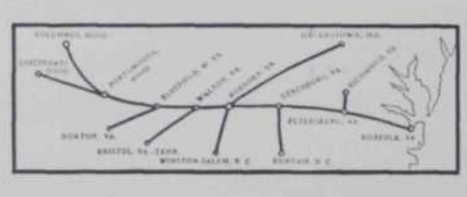
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The direct, economical rail route between the Midwest and the Virginias and Carolinas is via Precision Transportation — the Norfolk and Western Railway's unexcelled freight service. *The Skipper* and *The Pilot*, eastbound . . . *The Nomad* and *The Caravan*, westbound . . . four fast Norfolk and Western merchandise freight trains, operating on regular, daily, passenger-like schedules throughout the year, offer prompt dispatch and safe movement for all classes of carload and less-than-carload freight. Any representative of the Railway's Freight Traffic Department will gladly furnish complete information regarding rates, routes, and schedules, and assist you with your shipping problems. Telephone or write today.



NORFOLK AND WESTERN Railway

PRECISION TRANSPORTATION

Another important feature of British slum clearance effort is that a large part of the new publicly subsidized housing is being built on the outskirts of cities. The former slum is turned into a park or playground and an equal number of residential units, usually in the form of small two- or four-family or row houses are built in newly created "garden communities." We in America may well study the job the British have done in slum clearance and public housing. Our principal danger lies in trying to do in a few years what they took a decade to accomplish.

While there are vast differences in the British and American systems of doing things, we are in several important respects following their example, with a time lag of a number of years. As to public or subsidized housing, we are getting off, for good or bad, to a vigorous start. In 1939 some 220 local public housing authorities operating under the aegis of U. S. Housing Authority, which on January 1 had already made loans and commitments of some $650,000,000, will in all probability produce 75,000 new units.

It is to be hoped that this program, coupled with the expected increase in private home building, will not raise prices too sharply. It is also to be hoped that this housing will be within range of the low income groups whose slum dwellings are torn down. But it is perhaps expecting too much now.

At the same time a substantial private building increase is indicated which should have a most beneficial effect on the durable goods industries. One of the best fall and winter building seasons in many years has been experienced and indications are that the year's total of non-farm residential units may run from 25 to 35 per cent greater than 1938's 345,000.

About 70 per cent of the private dwelling construction in 1938 was in one- and two-family houses. It is probable that the impetus given to large-scale rental housing projects by the Federal Housing Administration's financing plan will materially increase multi-family construction. The spectacular Metropolitan Insurance Company's rental housing project in New York City is significant. While there are not likely to be many as large as this, there will undoubtedly be a major expansion in large-scale private housing projects of this general type, the majority of which, however, will be in residential areas on the outskirts of cities.

Most significant to private industry has been the liberalization of financing brought about by the Federal Housing Administration. The general public is just beginning to realize that a small home when financed over 25 years at five per cent interest can be bought at a monthly cost less than rent. This is a simple and obvious matter to men in the industry but it is a point that, once it has become generally appreciated as it has in England, will continue to expand the private small home building market. Mass house construction—either of groups of homes in developments or of large-scale rental projects will undoubtedly also be a major factor in metropolitan construction.

But it should ever be borne in mind that the United States cannot be fully described in terms of its large cities. With some 16,600 incorporated towns and communities to be served, and building sites scattered over large geographical areas in each, it is obviously impossible for "mass building" to be performed everywhere.

Through the Editor's Specs

(Continued from page 13)

brows of railroad men. What would you do if you had the responsibility of transporting a shipment of expensive mirrors across the continent? How would you recommend the safe packing of hollow chocolate Easter rabbits for a long haul?

That's the job of the Freight Container Bureau of the Association of American Railroads. We took an hour off the other day to look into this most interesting work. We learned how a method was developed for shipping huge tile pipe a yard or so in diameter. At one time the breakage in transit was terrific, now it's almost zero. Neon signs with their delicate glass tubes staggered the freight men at first. But in conjunction with the industry a way was found to suspend the signs inside crates. The variety of solutions the Bureau was called upon to find included a way of preventing the "sweating" of grain in shipment and the packing of cut flowers to avoid freezing.

Some time ago one of the lines had to move a large and valuable piece of solid marble with an engraving of "The Last Supper" on one side. It was 12 feet long, 5½ feet high, 18 inches thick at the base, and weighed six tons. But a crate was devised and the slab carried safely as freight.

Working quietly on these and hundreds of other items, each a case in itself, the Bureau has seen its compensation in the reduction of freight loss and damage claims from $119,000,000 in 1920 to around $20,000,000 last year.

Backsliding to self reliance

MR. AND MRS. Clyde Murphy of Pawnee, Ill., grew and harvested 90 acres of corn during the 1938 season without outside help. They husked an average of 148 bushels a day, using one wagon and team, until the 5,000 bushels were in the crib. They did their own chores, including the milking of six cows. Mrs. Murphy, who also kept house in her leisure time, missed only half a day in the field dur-

ing the husking season. Doubtless her bridge score and her social obligations suffered considerably.

Something should be done about the Murphy family. It is a throwback to an earlier and antiquated America.

Type licks pix

IN CASE the publishers of the *Christian Science Monitor* are considering going tabloid, or their neighbor, the venerable *Atlantic Monthly*, be tempted to string along with *Click*, they may take cheer from a new trend reported by the columnist, Lucius Beebe.

Beebe says publishers are discovering that pictures have distinct limitations. The camera can be a greater liar than the typewriter. Because pictures can't be edited, they are incapable of expressing intelligent judgments. Moving pictures of the Republic Steel Memorial Day 1937 strike episode in Chicago are an instance. By omitting the significant inciting movements of the strikers they told a false story.

Some highly discerning advertisers have perceived that the picture craze has overshot itself. Probably the outstanding ad of 1938—that of the A & P Stores—was solid text matter. The advertiser who uses type to get his effects now is sufficiently different to be noticed.

The passing of a boss

HIS name and face were known to millions of his fellow citizens. He had walked with the great of the earth. And now, as this old man lay dying, a long list of notable friends and acquaintances, past and present, marched in review before his mind's eye. He dismissed them from his thoughts and in the little time left asked to see all his old employees at his bedside.

This gesture of Col. Jacob Ruppert punctuated dramatically his last scene of all. By it he paid obeisance to a tie that through the years comes to bind men perhaps second only to that of family.

Very free speeches

Mayor LaGuardia, of New York: I contemplate a national debt much larger than $80,000,000,000.

And with equanimity?

Earl Browder, General Secretary of the Communist Party in the United States: Communism always has stood for the complete and unconditional freedom of religion.

So?

Former Congressman Amlie, appointee to the Interstate Commerce Commission: when the people of this country under-

BOOSTING *the nation's business*

Read how railroads, retail stores and restaurants make new floors bring in new business



Streamlined for increased sales is Reading Railroad's new Crusader, with Armstrong Floors on daily duty, taking traffic . . . and *making* traffic.



Showmanship that sells shoes starts with an Armstrong's Linoleum Floor in the Maling Brothers Shoe Store of Oak Park, Ill. In the two years this floor has been on active duty, it has proved a real sales booster. Has proved, too, that an Armstrong Floor can take street-floor traffic.



Eye-appeal is buy-appeal. And the *place* is as important as the package. Give your place of business the right eye-appeal with an Armstrong's Linoleum Floor.



Sales jumped 50% when the Hotel Brunswick of Lancaster, Pa., dressed up its dining room. An important part of the sales picture is the floor of Armstrong's Linoleum. Your local linoleum merchant can tell you similar success stories.

ARMSTRONG'S LINOLEUM FLOORS

Custom-Laid or (A) *Standard Designs*

NEW BOOK SHOWS HOW others are boosting sales with floors that bring in business. Illustrated in full color. Just write for "Better Floors for Better Business." Sent free (40¢ outside U.S.A.). Armstrong Cork Company, Floor Div., 3903 Coral St., Lancaster, Pa. (Makers of cork products since 1860)

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For many months, personal competition will be tremendous. Employers—up against new problems, fighting for survival and profits—will be able to pick and choose. Naturally they will prefer the trained man—the man who has special ability. If you want to speed up your prosperity and insure your share in the business pick-up, you must prepare yourself. And your first step is to get the facts about a proven training program. Check your subject below, write your name and address in the margin, and mail this coupon today.

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LASALLE EXTENSION UNIVERSITY
A Correspondence Institution
Dept. 3374-R CHICAGO

stand the meaning of a capital levy we shall hear with less frequency the phrase: "Where is the money coming from?"

All right, until the country understands, where is it coming from?

Edwin S. Smith, member National Labor Relations Board: In the field of labor relations . . . there are grave dangers in a point of view which looks for factual proof of too concrete and absolute a sort.

Yes, yes, facts are troublesome.

Senator Matthew M. Neeley of West Virginia: Since George Washington was President, no other government official has, in the brief period of less than four years, ever rendered greater services to the people than Harry Hopkins. He has earned a place in the hall of fame with the great Italian discoverer (Columbus) and the great American emancipator (Lincoln).

Hopkins, Columbus, Lincoln.

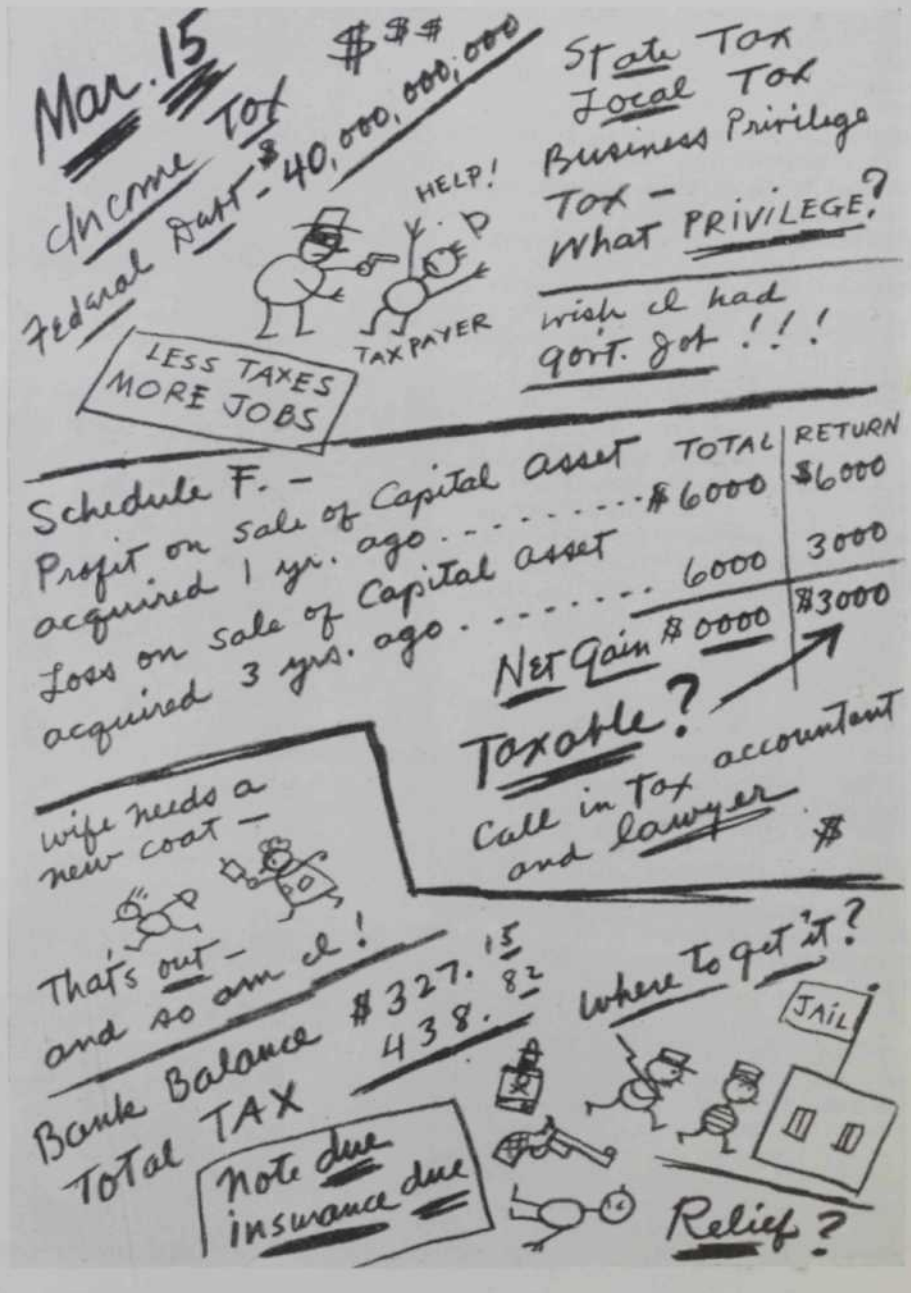
"Made Work"

AT LOUISVILLE, Ky., 35 colored washerwomen were entered by the W. P. A. in a laundry training project and paid 35 cents an hour. The minimum wage under the new federal law is 25 cents.

SECRETARY ICKES has ordered his departmental director of public relations to do something about the "Slow Men Working" signs around P. W. A. projects. He feels that they reflect on the diligence of his workers.

THE MUSIC TEACHERS National Association objects to the teaching of music by W. P. A. instructors to persons able to pay for instruction. Women with fur coats and uniformed chauffeurs are said to have enrolled in some of the classes.

From a Business Man's Scratch Pad . . . No. 35



Golden Gate Exposition Glorifies Travel Industry

(Continued from page 52)

American Travel Congress, April 14 to 21. In addition to delegates appointed by the government of each country in all the Americas, there will be representatives from railways, steamship lines, air lines, travel agencies, motor clubs, chambers of commerce and other organizations of trade and travel. In addition to the Travel Congress there will be continuous meetings of delegates from various Pacific countries. Questions of the hour will be threshed out in these international congresses and every possible attempt made to promote a happy relationship between all nations represented.

The states sponsoring the exposition will of course take advantage of the opportunity to acquaint all visitors with the industrial development program of their region. It is estimated that 20,000,000 persons will attend the fair and perhaps 30 per cent of that number will be from outside the area. A 110 foot relief map showing dams, transmission lines, rail and highway lines and natural resources in exact detail, will be on exhibit to attract the particular attention of that 30 per cent who are least familiar with the West's potentialities.

Industrial growth

WESTERNERS expect to have a superabundance of electric power in the near future. They are concerned with interesting other Americans in the industrial possibilities of their region. Accordingly, an organization known as Industrial West, Inc., will be on the job to point out the feasibility of establishing certain industries in this territory.

This organization will use all its persuasive powers to point out that the coast and mountain states have the ideal combination for the formation of a new "industrial frontier." In their mind the exposition will be a failure unless a good percentage of visitors are convinced that, "To the West lies—prosperity."

Prominent among group exhibits of western enterprise will be an artificial mountain depicting every type of mining activity in the area.

Another group display will tell the story of oil. In addition, petroleum companies will spend a $500,000 advertising appropriation in calling attention to the fair as a travel incentive.

The gas industry will stress the economy of its product as a fuel and will service the entire island through a submarine pipeline under San Francisco Bay.

In addition to the group exhibits, more than 350 industrial displays will be shown by individual exhibitors.

Almost all of the exhibits are examples of the creative and management genius inherent in successful business enterprise. The exposition stresses what industry has done to help mankind enjoy the pleasure and beauty that Nature has provided.



Well, here's one cost factor you still *can* control!

Taxes, wages-and-hours, material costs—these are controlled for you. But you can control your non-productive labor, whose pay has gone up faster than any other kind of wage. Its job is chiefly material handling and therein lies your chance to cut costs.

Here at last is a Carloader

—the answer to Industry's prayer for help



Clark "Carloader" is the most important material handling development since man first used a hand truck. It speeds the receipt and dispatch of materials, parts and finished goods in standard unit packages. Its adoption cuts material handling costs, raises safety standards, reduces payroll taxes and compensation claims, simplifies labor relations, makes inventory and stock keeping easy.

It lowers the cost of the finished product.



How the Clark "Carloader" is achieving these results in various manufacturing plants—how it is benefiting freight and cargo carriers—is described (with photographs) in the "Clark Carloader Method". For your copy, write to Clark Tructractor Div. of Clark Equipment Co., 134 Springfield Place, Battle Creek, Michigan.

CLARK CARLOADER

SUGGESTION
FOR USERS OF
Addressograph
MACHINES

Your Addressograph machine has many mechanical advantages. Why handicap it with old-fashioned forms? For maximum speed and efficiency in payroll preparation and other form addressing problems, use Rediform Continuous Interleaved Forms.

FREE! *New bulletin NB-522 shows how Rediform Business Forms and Approved Methods can benefit you. Write nearest address below.*



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IN St Louis
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50% OF ALL ROOMS $3.50 OR LESS, SINGLE
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Cellugraf . . . transparent celluloid with steel grip; in 6 colors, 3 sizes. **Viz** . . . all steel; in 11 styles, 12 colors. Both speed up reference; increase information value of "visible margin". Indispensable to full return from your Visible Systems investment.

At your stationer's, or write
GEORGE B. GRAFF COMPANY
80 Washburn Ave., Cambridge, Mass.

The Town that Returned from the Grave

(Continued from page 24)

in ritualistic mode indicating the destruction of the old spirit of failure.

After pledging their faith and loyalty to the campaign they were starting, each member of the sales force took 20 of the pledges and buttons and agreed to enlist other able-bodied and sane-minded men and women in support of what was being called "the movement" within two weeks.

By ten o'clock the next morning, the goal of 1,000 had been reached, and within the week several thousand were enlisted. The district court judge even stopped the hearing of a case so that one of the charter True Bluers could pin buttons on attorneys and court attachés, and collect their pledges for support of the town.

Every one wanted to become enrolled to take part in supporting "a new day for Okmulgee." "The Secret 42" which had been referred to earlier as "communists," "Ku Kluxers," etc., were now recognized as advocates of a worthy program. Ministers saw an opportunity to pull their congregations out of the doldrums. The school heads realized the value of this loyalty movement—with both the teachers and pupils taking part. Merchants saw their employees taking new interest in life, and in the business; and instead of going into the back office and pulling down the shades to escape ordering merchandise which they were afraid they could not sell, they cleaned up their stores, put in fresh stocks and reflected new confidence to their employees and customers. The shoppers soon learned that they did not have to go to the larger cities to purchase their needs. They found them right at home with their old friend, the local merchant.

Such a rejuvenation program could not last long on mere talk. Facts and figures about Okmulgee, city and county, were compiled and presented to the public through newspapers, radio, pulpits, schools, civic groups, and community gatherings. A slogan was adopted:

Green Grass Is Under Your Feet

The assets of the community were marshalled for public display. On the other hand, the liabilities of the community were shown to consist primarily of a shadow of their own imagination produced by indifference and inertia.

For the first time, the community realized that it was essentially sound. With a pay roll of $2,057,000, the county was the fourth largest among the 77 counties of Oklahoma. The citizens learned that the annual pay roll from oil production in their county was still $500,000, and that $2,000,000 worth of oil was sold from the county in 1937—although a short time before every one had said Okmulgee was ruined because all the oil was gone.

An awakened interest in oil production was evidenced by 30 new drilling wells. They found that Okmulgee county had produced 205,000 tons of coal each year for five years, and that the annual pay roll of the coal industry in the county was $300,000. The county's estimated income from farm crops was $1,775,000, and livestock worth $1,200,000 were owned within the county. These and many other facts were used in the program of public education on community assets.

The Junior Chamber of Commerce was reorganized and a membership campaign begun.

The building of a long range program of community development was the next step. The reviving Chamber of Commerce sent out 10,000 questionnaires. Leaders of the community, back street business men, filling station attendants, boot blacks, and representatives of every economic and social interest were asked to list from one to ten objectives they would like to see fulfilled. Even the most enthusiastic workers were amazed when 7,000 of these were returned. From this information was built a five-year program for the Chamber of Commerce.

This idea got the people to thinking in terms of progress rather than recession. It enlisted their talent, enthusiasm and wisdom. Agricultural and industrial development, roads, civic projects, retail promotion, recreation, and conventions were all major parts of the new program.

As a means of selling this program to the community, and as a plan of stimulating enthusiasm of a more productive nature, a Blue Button Jamboree was scheduled for December 28. Two thousand people attempted to get into the hall which had a maximum capacity of 1,500. Garlands radiated from an illuminated Blue Button which formed the center of the ceiling decorations. Around the wall were veiled charts. As the meeting got under way, all lights were turned off, save that on the Blue Button and a spotlight which fell upon one chart after another as they were unveiled, and as a speaker read the messages on the charts over a public address system.

The charts carried the five-year program, facts about Okmulgee, and selling arguments on community loyalty. One may be used to illustrate:

STOP LOOK
LISTEN

If you can't say a good word for Okmulgee why not begin reading the train and bus schedules?

TONIGHT

Rededicate yourselves to Okmulgee and you will be a better business man, professional man, housewife, or employee.

Those who attended this meeting found that being a good citizen was lots of fun. The spirit of the Blue Button movement was exemplified in the enthusiasm which characterized the meeting from start to finish.

One of the originators of the move-

ment was next called upon to head the 1938 Okmulgee Chamber of Commerce membership and financial drive. Organized as an "Okmulgee Investment Campaign," this was eminently successful, and although the pledges were made during the height of the enthusiasm following the inauguration of the Blue Button movement, a high percentage of them were paid promptly.

The new way of thinking was a bit wobbly at first, and many disappointments met the leaders, but the teamwork of those who were behind the idea soon swept aside all opposition. Sooner than they realized, they were hearing nothing but good about their home town. By the end of 1938, the entire mental attitude of the citizenship of Okmulgee was changed. They had accomplished the impossible.

Proving their faith in Okmulgee, merchants and business firms spent more than $75,000 in 1938 for modernization and business improvements; more than $250,000 was spent for home improvements; several new business firms were opened and more than 300 homes were sold to citizens.

Stability and increases were shown in retail sales, oil production, postal receipts, gas, water and electric meters, and church and civic club memberships.

Sales methods have been improved by means of a successful Sales Mean Jobs campaign.

For the first time in 20 years a community fund drive was held, and within the campaign time limits the budget was oversubscribed.

The city has a new furniture factory, and is soon to have another.

Plans carried out

ALTHOUGH the Chamber of Commerce program was adopted for a five-year period, substantial progress has been made on more than half of the projects. A most successful agricultural program was completed. A chicken and hog program through which business men are cooperating with farm youth has received national recognition. The Chamber is going about its planned program in a businesslike way and has a support of an alert and revitalized citizenship.

Today the Blue Button is hardly mentioned. That movement served its purpose. Community ailments were diagnosed. Community assets were analyzed and sold to all the people. Then a forward looking program was planned and is now in progress. The initial wave of enthusiasm has been grooved down into a program of community building.

Thoroughly cognizant of the green grass under their feet, the citizenship of Okmulgee today faces the future hopefully. They have learned a form of mass self-reliance that would cure many a national ailment. The new outlook is reflected in every age and economic interest group.

When the Okmulgee high school football team was carried from the field on the shoulders of admiring students last Thanksgiving Day, thousands of howling fans stood and hailed them as co-champions of their conference.

Okmulgee had been reborn!



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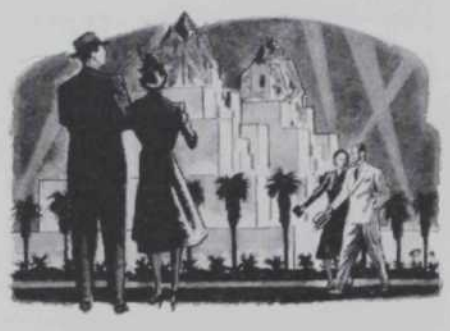
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Southern Pacific
THE WEST'S GREATEST
TRANSPORTATION SYSTEM

When Your "Ivory Hunters" Seek New Blood

(Continued from page 22)

difficulty has seemed to be that of the beginners' own impatience, lonesomeness, or discouragement. One means that I have found useful in combating impatience is to point out that knowledge of the work is but a small part of the value of a training course; that such an opportunity gives a young man a "magic cloak" from within which vantage point he can watch how men act at work, and what conditions lead to zest or to apathy; that never again will he have the chance to get to know the men at the machines by their first names; never again will he have the chance to make operating mistakes and gain support and friendship by frankly asking for help.

Encouraging the youngsters

ONE wise executive makes it a practice to say to his young men:

We are accepting the major responsibility of taking you into our family. If things do not turn out well, it will be more our fault than yours because we ought to know more about your chances of fitting than you could. Whatever may be the outcome, we shall aim to give you a kind of experience that will be valuable to you in any event so you may feel certain that your time will not be wasted while you are with us.

For lonesomeness and discouragement, I offer a tested remedy. See to it that the group in training has one person (preferably not too much older) to whom it is always permissible and desirable for them to turn on any matter whatsoever. Have it understood that this man is a sanctuary for their troubles and their representative with higher management; that it is his job first to straighten out their difficulties, then to study the reasons therefor and to prevent a recurrence.

Perhaps the commonest complaint of managers is that young men do not know what they want to do. No end of thought has been given this problem, but my contribution to the harassed executive will come from a personal experience rather than a laboratory experiment.

Some years ago, a college classmate, now the president of a large manufacturing organization, asked if I could come to his plant and talk with his student apprentices in an effort to dispel the fog which surrounded past conversations regarding the final choice of work with the company.

After several days I found myself nearing the end of the conferences with a distinct sense of failure. Here were honest, ambitious, hard-working young fellows who seemed unable to decide whether marketing, finance, production or personnel seemed most attractive. More than this, they were sincerely dismayed at their own inability to make up their minds. It was a comment of one of the last of these interviews that gave me the clue. This student said, "I think I could tell you the general kind of work that interests me, but you probably know better than I just where such a job might be."

I called them all back. In summary, I said to each one:

I am going to tell you about five kinds of thrills that people get out of their jobs. When I am through, I want you to tell me which appeals most to you, which would bring you so much satisfaction that week days would be fun and weekends would be times to rest to be ready for the job on Monday. And I will guarantee to find you any one of these kinds of work in almost any major division of the business:

I know a man who heads a department containing a large number of automatic machines. He knows those machines thoroughly, understands their peculiarities, their characteristics, their possibilities. He gets a real thrill out of keeping his hand on that situation and seeing that even, dependable, low-cost production results.

I know a man who heads a department containing a large number of highly skilled workmen. He knows these men thoroughly, understands their idiosyncrasies, their personalities, their ambitions. He gets a real thrill out of keeping his hand on this situation and maintaining a condition of morale in which each one of these men earnestly desires to increase the quantity and quality of his output.

I know a man who heads a department which deals with all kinds of figures, statistical and financial. He understands these tabulations thoroughly, can interpret their meanings, can discover their significance, and can thereby control a vast plan of activities involving purchasing, production, stocks and sales. He gets a real thrill out of the vista which these facts reveal—out of the power which comes to him because of this clear knowledge of complex and yet vital realities.

I know a man who has a job which brings him chiefly in contact with men on his own official level, both inside and outside the organization. He has built up a wide acquaintance in the plant and in the trade, has formed many enduring friendships among his equals. He gets a real thrill out of these associations—out of developing permanently satisfying working agreements with these officials—out of the fabric of confidence and loyalty which these relationships have woven to the benefit of the business.

I know a man who has a job which brings him chiefly in contact with men who are superior to him in rank, men who welcome his approach, men from whom he gets much of example and inspiration. He gets a real thrill out of his relationships with these men—out of the fact that he can deal with high power executives and retain their respect and admiration.

Now which of these five opportunities would give *you* a thrill for five days a week?

I speak carefully when I say that in no single case did I fail to obtain an immediate and definite response. Furthermore, these reactions were reasonably distributed among the five possibilities. With this information, it was comparatively easy in this large organization to suggest a division of activity

where the young man might profitably spend additional time in intensive study.

This experience, crude as it was, has convinced me that guidance for the college graduate who desires a career in industry is a dual responsibility. It is the task of the youngster to tell us the *kind* of activity that commands his natural interest, and it is our task to tell him where that kind of activity may be found. Usually its location is only partially dictated by functional divisions, such as marketing, finance, or production.

Training should begin early

YET in all of these problems of recruiting, of employment, of remuneration, of training and of induction into the line organization—work together as closely as we may—we are still far from a satisfactory solution.

As I look back over these 20 years, I must confess to the feeling that the solutions have been delayed by too little realization that such transitions from college to industry demand a greater quality of gradualness. We must begin our cooperation with industry at an earlier stage in the educational process.

One of my friends saw the light some years ago. When charged by a large establishment with the task of building a strong second-line organization of young blood, he insisted upon a long-time program which permitted him to bring second-year college students of more than ordinary promise to his factories for summer employment. Again after the third year, the acquaintanceship process was repeated, care being taken that no strings were attached to such relationships. When graduation time came, these young men were in position to judge of their interests in permanent employment should it be offered them, while the company had enjoyed ample opportunity to evaluate possibilities by studying the students in the factory environment.

There will be more of this. American industrialists have seized upon some simple principles: that advance in their art in the future will rest heavily upon executive brains; that the maintenance of good will will depend largely upon executive personality; that the gaining and holding of confidence and respect will call for executive character. They are stocking their organizations with these potential resources; and we shall do our best to develop these superior qualities in the young men who come to us in preparation for so worthy and satisfying a career.

To Form a More Perfect Union

(Continued from page 44)

Council's commission are these: The federal Government should leave taxes on gasoline and on electrical energy to the states. The federal Government should be allotted the tobacco taxes and gallonage taxes on liquor, except for taxes regulatory in nature. The federal Government should leave to the states the taxing of relatively small personal incomes, say those under $10,000, and should devise a system by which it will collect the tax on larger incomes and give a share of the collection back to the states.

The Council is determined to press forward in cleaning house in the tax structure. Its work indicates clearly that only cooperation by the states, both among themselves and with the federal Government, can ever eliminate present conflicts and duplications.

The Council set itself the task of catching the interstate criminal. It organized and developed a nation-wide commission which called upon the country's best legal minds to attack this problem. Their report offered four uniform laws, which, by congressional action, become compacts among states adopting them. Here they are:

First, a "fresh pursuit" law, permitting a peace officer within 24 hours after a crime to pursue and arrest a suspect in another state.

Second, a law for prompt and easy extradition.

Third, a law providing proper supervision of those on parole who move from one state to another.

Fourth, a law which makes it possible to obtain the attendance of witnesses from outside the state in criminal cases.

These laws have been passed in many states. They should be passed by all the others. They will go far to curb the interstate criminal.

As already suggested, the Council has found that some jobs can be done best by getting the states in certain regions to pull together. Large rivers present special regional problems. Through the Interstate Commission on the Delaware River Basin, officials from New York, New Jersey, Pennsylvania and Delaware are cooperating in a plan to control pollution in this region.

A similar commission is functioning for the Ohio River Basin. Representing Illinois, Kentucky, Tennessee, Indiana, Ohio, Pennsylvania and West Virginia, it is studying sanitation and flood control.

"While we're at it, why not tackle the questions of conservation, soil erosion, reforestation, and water power development?" these states have asked. State experts on these subjects are members of the commissions.

Emerging from this situation is the fact that such cooperation by the states can utilize federal assistance *without federal control.* Obviously the Council will reduce the need for such schemes as the "seven TVA's." It will place the responsibility upon the states and, through the Council, the states can handle the job successfully.

The National Resources Committee has been studying the problem of regional organization, maintaining meanwhile a friendly, informal line of com-

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munication with the Council. The states have been grouped tentatively into 11 districts for each of which the Council plans to provide a district office and field man to assist their Commissions on Interstate Cooperation. A district office established in New York City in September, 1935, has given the states in that district a vital impetus and proven this plan to be practical.

The Council at its Chicago office serves as clearing house and provides the secretarial and research force requisite to coordinate and supplement the work of all of the interstate commissions, and also for the American Legislators' Association, the National Association of Secretaries of State, the National Association of Attorneys-General, and the Governors' Conference.

A close relationship exists between the Council and the Governors' Conference, since the president of the conference, Gov. Robert L. Cochran of Nebraska, is president of the Council, and the executive director of the Council will henceforth serve as executive secretary for the governors. This organization of the chief executives first met at the call of President Theodore Roosevelt in 1908 to consider the conservation of natural resources.

Outstanding among the questions discussed at the Governors' 1938 meeting was that of tariff barriers among the states.

The whole matter was turned over to the Council and now becomes a leading problem for its attention.

"Use taxes" present their special problem. Some states even force the schools to give preference to textbooks written by home-grown authors!

Probably a hundred other interstate problems call for attention by some division of the organization. The Council is maintaining close touch with the current negotiations for control of oil production in Texas, New Mexico, Oklahoma and Kansas. It is also working on the problem of commercial fishing rights in the Great Lakes. All the states bordering on the Lakes and the Dominion of Canada are interested. A program is shaping up which includes a proposed treaty between this country and Canada and compacts among all the states involved, with the establishment of a new form of international authority so that commercial fishing rights may be settled in the future.

The Commission on Social Security hopes to contribute to the solution of various problems arising from the transfer of dependents from one state to another, relief for transients, conflicts in unemployment insurance, uniform settlement laws, and the like.

As this article goes to press, 43 state legislatures are meeting in regular sessions. Some of the others may meet in special sessions. They will have before them the program of the Council of State Governments. These legislators, their governors and state officials will be thinking about their problems in a manner which transcends state lines. They will be deliberating in a spirit of harmony and mutual helpfulness which should make itself felt in the better functioning of our democracy.

Shake Hands with Our Contributors

JOSEPH B. Mason is eastern editor of *American Builder*. His article is the result of a study made last summer while investigating European housing conditions.

Brig. Gen. Henry J. Reilly, O. R. C., sent the manuscript for his article from Paris where he is stopping after spending more than four months in Spain. While there he made 20 trips to the front lines. He is a graduate of West Point, served as a brigade commander in the Rainbow Division in the World War, has seen additional military service in Poland and Manchuria, and has served as a war correspondent for newspapers and magazines.

Prof. Erwin H. Schell is in charge of the Department of Business and Engineering Administration of the Massachusetts Institute of Technology. He is the author of "Preview of Tomorrow's Leadership," which appeared in the December, 1938, NATION'S BUSINESS.

Robert Talley is on the staff of the Memphis *Commercial Appeal*.

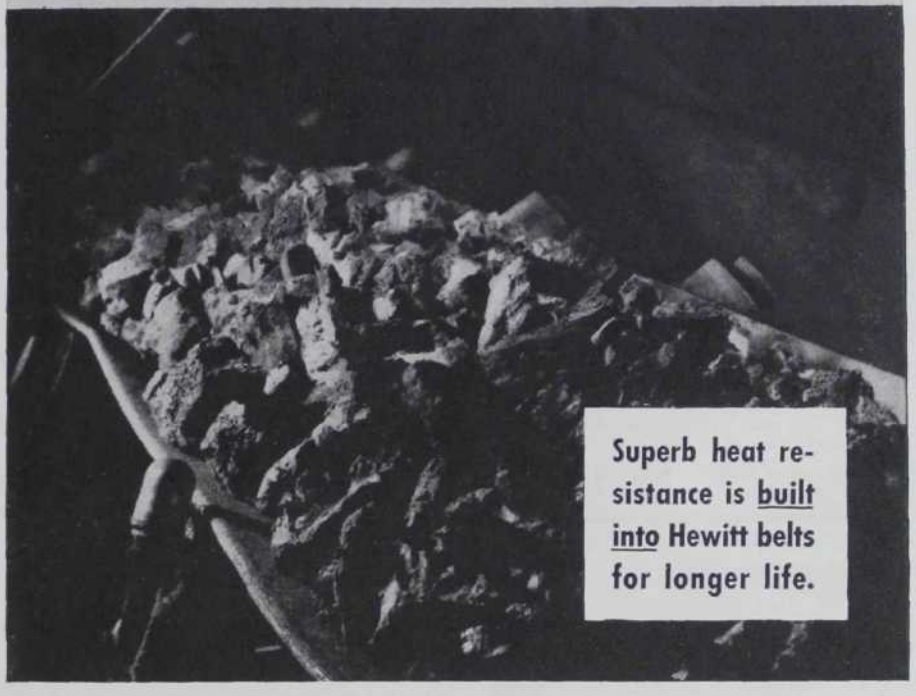
Marvin Hurley is manager of the Oil Activities and Industrial Departments of the Tulsa Chamber of Commerce. He was formerly executive secretary of the United States Junior Chamber of Commerce.

Fred H. Clausen is president of the Van Brunt Manufacturing Co., makers of farm implements at Horicon, Wis. He is a vice president of the United States Chamber of Commerce and chairman of its committee on Federal Finance. He has frequently represented the National Chamber at Congressional tax hearings.

Henry W. Toll is a member of the board of the Council of State Governments and former executive director and founder of that organization. He retired January 1 to devote full time to his law practice in Denver, from which he had taken much time to devote to work of the Council. It was as a member of the Colorado State Senate, where he served from 1923 to 1931, that he conceived the idea of a State Council.

Julietta B. Kahn operates a literary service in New York in addition to writing articles.

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Women as Depression Pioneers

(Continued from page 36)

from India, English tweeds from Bermuda—as well as beach costumes originating from Florida and riding breeches worn on a Texas ranch.

The vagaries of air travel have aided Miss Johnson in spreading her unique service; for instance, she can fly flowers from Honolulu just as cheaply as from Bermuda—and with twice as much sales glamor! Miss Johnson spends one week out of every month in flying to her sources of supply. A trip to Canada from her New York apartment can be made, as she says, in "nothing flat" (two hours, to be exact). And her original idea was borrowed from European airports, where such shopping as Miss Johnson sponsors is commonplace. As yet the field is wide open in the United States. It's Big Business in capitals; but Mildred Johnson's apartment is all the office she needs.

Mrs. Ann Arthur is another business woman who conducts her affairs from her home. When she arrived in New York from McKeesport, Pa., to visit her married daughter in 1934, women everywhere were dismissing maids and cooks in a frenzy of economy.

Help in keeping house

STILL other women, for the first time in their lives, found themselves in the working class, and yet wanted their homes to have the same well kept appearance they had always had. Mrs. Arthur promptly jumped into the breach with "Jeeves, Inc." Through a modest announcement that pridefully claimed to present "the modern solution of your every household help problem" she began a business which, in three years, has expanded much beyond its original purpose of supplying a maid-by-the-hour on a monthly basis to anyone who wants to avoid the wear and tear of the servant-by-the-day problem.

Her proposal immediately attracted considerable interest, both because Mrs. Arthur's long experience as a competent housewife (she has three grown children) made her perfectly familiar with women's requirements, and also because she made a flat rate for one, two, and three room apartments, definitely setting out to give the man and woman of modest means the same kind of service they would receive if they ran large households on Park Avenue or the Lake Shore Drive.

Any one who has ever tried to find a perfect part-time maid knows there isn't such a thing. People who don't keep a resident factotum long were in the market for a really efficient, reliable service, so all New York welcomed "Jeeves, Inc." with open arms.

While you're out, one of Jeeves' competent, uniformed maids will clean and garnish and make everything immaculate. She'll prepare your dinner and stay on, if you like, at a small extra charge to serve it, and to clean the kitchen for you. A supervising housekeeper checks her work from time to time, and makes a substitution when your regular maid, for any reason, is absent.

Mrs. Arthur finds no difficulty in commanding the best grade of domestic help in the city, because the girls are guaranteed work 50 weeks a year, on a six-day basis (no Sunday service is offered) and remain on the staff, regardless of whether the number of their temporary mistresses is large or small. The hours are regular, the work carefully laid out by trained housekeepers, and, in summer, each maid receives a paid vacation. The turnover is small, and there is a long waiting list of applications, although Mrs. Arthur will accept no girl who cannot produce references covering at least two years' employment as maid in one of Manhattan's "better" households.

That her high standards of service have been appreciated is evidenced by the fact that she still gets hosts of calls for full-time maids, nurse-girls, chauffeurs and the like. But she has resisted all attempts to expand her business, believing that, by specializing in part-time service, she can make a place for herself and her staff that no one can fill.

Mrs. Arthur was forced to make some concessions, due to the pressure of requests from clients. She now supplies men to do heavy cleaning and, on occasion, opens country houses with a temporary staff, or prepares a city apartment for out of town clients who have been absent for some months. Her "catering service" enables you, for a small fee, to hire one of her cooks who will shop, prepare the dinner, serve it and clean your kitchen, and then, like the Arabs, silently steal away.

Butlers on order

STILL another service, which Mrs. Arthur hadn't planned, just "growed," like Topsy, out of many customers' inquiries for maids and butlers to serve cocktails and make fancy *hors d'œuvres*. So the "butlering" service, which has proved a great hit, came into being. By October her calls for the extra butlering service had filled her books for Thanksgiving holiday affairs.

Recently, one of her large party successes took place on a millionaire's yacht in New York Harbor, where the host received dozens of compliments on the suave service by extra-competent waiters and the major-domo which made the affair run so smoothly. And when Norma Shearer celebrated the opening of "Marie Antoinette" in New York, it was Jeeves, Inc., which supplied the "fixin' " and the "fixers" for the party which marked the film star's triumph.

But for Mrs. Jones who's entertaining her in-laws, or for Mrs. Smith, who wants to make an impression on her husband's boss, Mrs. Arthur will not only send a waitress—or a butler if preferred—but will supply the salads and cocktails and cakes if the household facilities are not adequate for the occasion. Though she doesn't welcome last minute

orders, she has received and filled them at an hour's notice, and whatever turmoil there may be behind the scenes, the hostess and her guests are never allowed to be aware of it.

Before any girl is permitted to serve a patron, the housekeepers investigate the call, make out a report as to requirements, and take written notes on what has to be done and how. If there is a precious vase which was Aunt Fannie's wedding gift, the girl is told how to dust it; if the birdcage must be cleaned only every other day the girl is warned of her by-the-day mistress' idiosyncrasy. The service runs like clockwork.

No disappointments for customers

AS A matter of fact, the strictest rule in the organization is the one which requires girls and men to report as quickly as possible by telephone or telegram if they are delayed or cannot come because of illness or some other cause. Their place is always filled by members of the staff held in reserve for such emergencies.

Mrs. Arthur is just one more person who, out of an idea and with a modicum of expense, launched a business which any other woman with a background of homekeeping might have begun—if she had thought of it first!

There are a host of other enterprising women who have developed, largely out of necessity, some different type of personal service which has weathered financial storms for the simple but adequate reason that what they have to give is badly needed.

Because of the "jitters" which have pursued like a haunt so many of our otherwise solid business people, it is worthwhile recording that every one of the "case histories," uncovered in large communities and small villages, shows a few heart-warming facts:

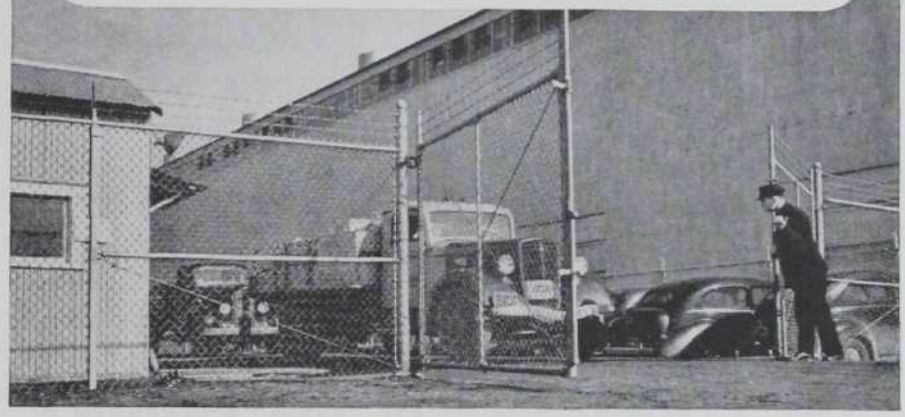
1. These businesses are in a great degree a direct result of the pace of urban life, and cater to the needs of people who are glad to have strain and effort removed from their lives.

2. Age is no barrier. On the contrary, the survey seems to indicate that the very young and the very old succeed equally well. According to a study in trends in occupations since 1920, recently made by the Institute of Women's Professional Relations, one out of five women employed is 45 or more, and the majority of them are engaged in trade.

3. The emphasis in all these types of businesses—whether they be in small mid-western towns or in the eastern cities—has been on the old-fashioned virtues of courtesy and *service*. It is in the latter field that women are rapidly evolving new ideas and selling them.

For those who haven't found a place or have a place in the sun they don't like, the answer is to carve out a new one. It isn't necessary to be a genius or to make a million. A minimum of capital and a maximum of persistence are required. The old success mottos of our youth have been modified by the alert females of today to read "Woman's place is anywhere she can get to!" And men "in the know" are not ashamed to follow suit in a game where the women partners sometimes hold trumps.

How the Right Fence May Save You a Lot of Money



WHEN every foot of your property line is guarded night and day with sturdy Cyclone Fence, you can stop worrying about burglars, marauders or firebugs. For Cyclone is respected by those who would carelessly or willfully damage your property. That's why it saves money—pays real dividends on its moderate first cost.

It is important that you get the right fence — erected properly. Cyclone Fence embodies design features that lengthen life and save you money. Posts are strong—mesh is heavily galvanized *after* weaving to assure maximum weather protection —gates prevent rails from buckling. And when installed by Cyclone's factory-trained crew, this fence is sure to maintain its original shape and attractiveness. Upkeep is almost negligible.

What type of chain link fence do you need? How much of it? How high? With barbed wire? What kind of gates? These and many other fence problems will readily be solved for you by our fence engineers with no obligations whatsoever to you. Write us for catalog and a free estimate.



Now you can be sure of the quality of fence before you buy it. Cyclone Fence with the "12M" label has an extra-heavy coat of galvanizing that resists rust and makes the fence last longer. Be sure that the "12M" label is on the fence you buy.

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General Offices: Waukegan, Ill.

Branches in Principal Cities

Standard Fence Company, Oakland, California, *Pacific Coast Division*

United States Steel Products Company, New York, *Export Distributors*

Send for FREE 32 page book. Tells you all about fence. Crammed full of illustrations. This book will help you choose the type of fence best suited to your property —business, school or home. 14 kinds of fence illustrated. Whether you require a few feet or several miles of it, send for this free, informative book. Mail the coupon today.



USS CYCLONE FENCE

CYCLONE FENCE CO., Dept. 539
Waukegan, Ill.
Please mail me, without obligation, a copy of "Your Fence—How to Choose It—How to Use It."

Name.....

Address.....

City..... *State*.....

I am interested in fencing: ☐ Industrial Property: ☐ Playground; ☐ Residence; ☐ Estate; ☐ School. Approximately.....feet.

UNITED STATES STEEL



Why Dad!

Do YOU Question the Future?

DAD may question. During his lifetime he's seen electric lights replace oil lamps; the widespread installation of sanitary plumbing and central heating. He's seen the growth of the automobile and the radio; the development of the airplane, the motion picture, and the electric refrigerator. Dad, somewhat like the Patent Office official who, long before 1900, is said to have resigned because he thought all the worthwhile inventions had been made, sometimes finds it difficult to share his son's enthusiasm for the future.

But Dad forgets that the forces which have made America the most prosperous nation in the world are working more effectively today than ever before. They are the forces of American industry—creating *more goods for more people at less cost*—developing new products, constantly improving them, making them so inexpensive that more millions of people can buy them. That's the process by which the American standard of living has been made the highest in the world. And because American industry is applying it today with ever-increasing vigor, still greater progress is assured for the future.

In this progress, General Electric scientists, engineers, and workmen play an important part. Their efforts today are directed to the task of creating still higher living standards for the people of this country.

G-E research and engineering have saved the public from ten to one hundred dollars for every dollar they have earned for General Electric

GENERAL ELECTRIC

VISIT THE G-E "HOUSE OF MAGIC" AT THE FAIRS

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IF you had been born 21 years ago, your debt would have been only $90.59. This spending generation has taken a lot of your money. Get busy, baby, GET BUSY!

OKEH, I'LL GET BUSY. I'll accept the obligation. I'll tighten my belt and do my part. If I don't—well, I've heard my dad talk about the wickedness of repudiation and the miseries of inflation. So, I'll *try* to pay.

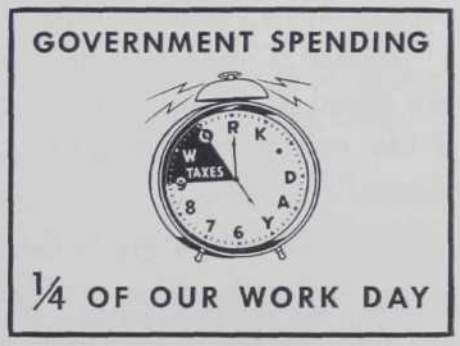
And I'll not crab. I'll not question the expenditures, whether they were wasteful or unnecessary. They're water over the dam, anyway.

But, you grown-ups of this spending generation, don't put any more burden on *our* shoulders. Cut out this glib talk of how we can stand a "$55,000,000,000 national debt." Where do you get that "we" stuff!

Last year the national income was about $490 apiece—not much more than each person's share of government debt.

So, I'm already handicapped one year's work, set back 12 months behind the line. If we count the interest on the debt—which experience shows equals the principal before it's finally paid—I'm really set back almost two years. It's five times the handicap this spending generation had when you were a baby.

Sure, I know, there are lots of things we'd like to have, but I notice that my pop has to say "No" to my brothers and sisters lots of times. "Can't afford it," he says. So, you big pops in Washington, learn to say "No" to the "brothers and sisters" who want you to buy things with my money. Tell them the truth, that we can't afford it until times get better. Maybe one reason times aren't better is because you've been spending too much of my generation's money.



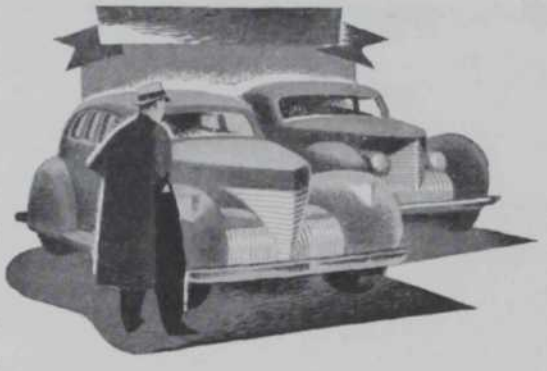
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NATION'S BUSINESS

It is the 33d of a series contributed toward a better understanding of the American system of free enterprise.

If you want to cooperate we will supply copies in poster size for bulletin boards, leaflets for distribution, mats for newspaper use, and electros for house organs. Pamphlets amplifying this advertisement also furnished on request. Write Nation's Business, Washington, D. C.

John Q. buys a new car —and here's what he gets



LESS than a generation ago, when Mr. John Q. Public bought himself a new car he got little more than a rather uncertain brand of transportation.

Today — safety, economy and dependability, as well as beauty and comfort to the point of luxury—are added, all at far lower cost than was dreamed possible in the early days.

These priceless additions are the result of an industry's enterprising determination to do a better and still better job, year after year.

In constant step with this progress, Collins & Aikman Corporation has played its own proud part through the development of fine upholstery fabrics for a long list of cars.

Today, these fabrics give—for the same money—twice the values and many more times the comfort of the fabrics used only fifteen years ago.

Hundreds of thousands of dollars spent for research have produced new weaves, faster colors, longer life and greater luxury in upholstery materials that add tremendously to the economy and pleasure of driving an automobile.

In most smart 1939 cars you will find "Breathing Back" velvets—at no extra cost. The porous-backed construction of these fine fabrics provides a cooler ride in warm weather, a more comfortable one in any season.

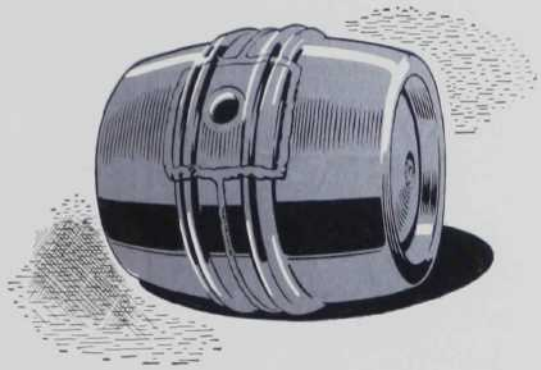
Their surfaces are smooth, easy to move about on, luxurious and silken-soft—giving no hint of an almost unbelievable ability to deliver long service and to take repeated scrubbings.

And, the car you buy today—upholstered with these durable materials—will still boast much of its showroom freshness at trade-in time—and thus command a higher resale value!

★ ★ ★ ★

COLLINS & AIKMAN CORPORATION

200 Madison Avenue, New York City



YOU CAN LEARN A LOT ABOUT ALUMINUM

FROM A BEER BARREL

Trouble with people is that they want to drink their favorite brand of beer so far away from the brewery.

Thousands of miles, in the case of some famous brands.

And that poses a neat problem in bulk containers. The answer, equally neat, as the picture shows, has been found in Alcoa Aluminum barrels.

You are not surprised, of course, to be reminded that Alcoa Aluminum is strong enough. That's a commonplace, in these days of Streamliners, buses, and airplanes.

The weight to be saved by using Alcoa Aluminum seems obvious enough, too.

The very special thing about these barrels is the way Alcoa Aluminum preserves the purity, the flavor, color and clarity of the beer. For beer is *very* temperamental. It is highly sensitive to uncongenial and insanitary surroundings.

Yet the inside of these barrels looks just like the outside: plain, uncoated Alcoa Aluminum, as friendly to the beer on the inside as it is resistant to the weather on the outside.

All these qualities together, plus real economy, make Alcoa Aluminum barrels the choice of famous brewers.

The same inherent qualities are yours to put to work with equal success. May we help? Aluminum Company of America, 2125 Gulf Building, Pittsburgh.

ALCOA

ALUMINUM

ALCOA · ALUMINUM

STEPPING INTO THIN AIR

4 MILES UP!

HOW A FORMER INFORMATION CLERK JUMPED 20,800 FEET TO A NEW RECORD



MARIE McMILLIN, RECORD-HOLDING WOMAN PARACHUTE JUMPER









(*left*) **WHEN BUSY, STRENUOUS** days put your nerves on the spot, take a tip from the wire fox terrier pictured here. Despite his almost humanly complex nerve system, he quickly halts in the midst of any activity, to relax—to ease his nerves. So often, we humans ignore this *instinctive urge* to break nerve tension. We may even take pride in our will to drive on relentlessly, forgetting that tiring nerves may soon be *jittery nerves!* Yet the welfare of your nerves is vital to your success, your happiness. Make it your pleasant rule to pause regularly—to LET UP—LIGHT UP A CAMEL. Start today—add an *extra* comfort to *your* smoking with Camel's costlier tobaccos.



Copyright 1939 R. J. Reynolds Tobacco Co. Winston-Salem, N. C.

COSTLIER TOBACCOS

CAMELS ARE MADE FROM FINER, MORE EXPENSIVE TOBACCOS ...TURKISH AND DOMESTIC

LET UP—LIGHT UP A CAMEL!

SMOKERS FIND CAMEL'S COSTLIER TOBACCOS ARE SOOTHING TO THE NERVES